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# NEGOTIATE

Overcoming early job-insecurity in Europe

NEGOTIATE-Negotiating early job-insecurity and labour market exclusion in Europe  
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## Abstract

The prolonged economic crisis which is hitting the Greek economy for six years now has caused a large amount of unemployment in the entire workforce of the country. Youth unemployment and the overall position of the youth in the Greek labour market are the research question of this report. The problem and its impacts is focused by analysing the four key-policy areas that are: the education system of the country, the active labour market policies, the income protection of the unemployed and the institutional context of the labour market. The analysis emphasises on the main changes of the crisis on these fields and aims to highlight the impact on the working life of the youth. The early job-insecurity and the creation of precarious jobs without prospects is a difficult reality that it doesn't seem to improve mainly because of the missing demand of the Greek economy and the deep dismantling of the regulations in the Greek labour market.

## Introduction

Observing the unemployment in young people of the ages of 15-24 reaching 49% and in the ages of 25-29 reaching 37.4%<sup>1</sup> it is safe to say that young people are facing serious obstacles entering the labour market. In a similar period in 2008, unemployment at the ages of 15 to 19 was at 16.5%, a percentage high if we take into account the overall unemployment of the country which was at 7.9%. Also, concerning the recruitments that were made during 2015 for the ages of 19-29, the hiring rate of young people stood at 19.88% of the total size which is significantly smaller than the hiring rate of the ages of 30-44 which stood at 49.57% (Ergani report-2015).

Moreover, the participation of young people in the labour force of the country at the ages of 15-24, the first trimester of 2014 is significantly low, 28% (ILO, 2014), the third lowest after Bulgaria and Italy. The numbers are even lower for young people of low educational level, of only secondary education, where the rate is only 12.4%.

Alarming is the doubling of the rate of young people not in education, employment or training (NEETs) in Greece, between 2009 and 2014 (from 14% in 2008 to about 27% in 2014 among those aged 15 to 29 years), which is in fact the highest among the EU-28 countries as well as the high percentage of people in this age-bracket who are at risk of poverty (31% in 2013). Equally high is the rate of NEETs in the age-group 24-29 years: particularly among young people with secondary or higher levels of educational attainment, from 14% in 2008, the rate rose to over 30% in 2014. This is a rather dramatic increase, compared to the younger cohort (15-24 years) with a similar level of educational attainment. Among young people of both of the above cohorts with lower than upper secondary education, the number of NEETs has remained low and almost steady from 2004 through to 2014.<sup>2</sup>

However, when we examine the evidence which show the true disadvantage position of young people in the Greek labour market, we should not overlook the fact that the Greek economy faces the sixth consecutive year of recession. With the decline of GDP reaching 25% of the pre-crisis levels, the unemployment rate being at 24.4% the employment rate from 61.4% in 2008 to 48.8% in 2013 the Greek economic reality as well as the Greek society stands at a historic low point of the juncture. The strict austerity policies on public finances and the internal devaluation process in as sharp reduction of wages were established as a prerequisite for the loan of the country from the international institutions, so as the impact on the labour market was undoubtedly great. Young people seemed to be negatively affected by these, because as they did not fulfill the required experience, they became more susceptible towards the sweeping institutional changes in the labour market, in nonexistent state income coverage and in fragmentary active labour market policies.

The aim of this report is to present a coding of the key changes in the four policy fields-education, labour market regulations and wage setting, active labour market policies and activation, unemployment income protection- but also, the emergence of the interrelations between them in order to determine the working life of young people in Greece and the prospects they have in the labour market.

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<sup>1</sup> All data for Greek economy are provided from Hellenic Statistical Authority-Labour Force Survey.

<sup>2</sup> Petmesidou M. and Polyzoidis P. (2015) 'What policy innovation for youth in the era of prolonged austerity? the case of Greece', OSE Paper Series, Research paper 20, July 2015, Brussels, European Social Observatory.

## Section 1: Education and training system

Between the years 2010 and 2015, various important structural reforms were implemented in the Greek education and training system. Moreover, the fiscal consolidation that took place in Greece in the same period had a strong impact both in the system itself and in the outcomes of these reforms.

The reforms aimed mainly to adjust the organization and governance of the secondary and tertiary education, as well as to fine tune the vocational and training (VAT) sector with EUs best practices, and could be seen as the continuation of a series of reform initiatives that started with the –unsuccessful- constitutional reform of 2006 that concerned the establishment of private universities in the country. The 2006 reform, known as the “Giannakou bill” failed to pass due to a student’s movement that opposed the reforms addenda. That series of reforms that ended in 2015 with the election of a new government indicated the intention to totally reverse the educational strategy of the previous period, and was indicative of the perception of the parliamentary majority of the time.

The structural reforms that took place after 2010 were mainly part of the economic adjustment program and included among other measures the implementation of credit units in the tertiary education, the establishment of three circles of studies, the dependence of funding based on the evaluation of the university and the change of the administration system of the universities in a way that seven (7) out of the fifteen (15) members of the management board have to be persons not affiliated with the university.

The exact impact of those reforms is difficult to be measured. On the one hand the heavy recession that Greek economy faced in the examined years had a strong effect on the school to work transitions on the demand side resulting to fewer vacancies especially for young, inexperienced individuals. On the other hand, many reforms that were voted in the parliament, even with a striking majority have not yet been implemented due to contrariety of the educational community. However the key indicators suggest that some progress has been made in the last five years. As shown in table 1 there was an increase in tertiary education attainment, as well as in adult participation in lifelong learning (ET 2020 benchmark). Moreover, and despite the crises, there was a significant decrease in the early leavers from education and training especially for women, but the specific indicator has low reliability. The employment rates were decreased independently of education level, but as mentioned before this fact could be attributed to the significant decrease of vacancies due to the heavy recession.

As mentioned above, the effect of the fiscal consolidation to the Greek education and training sector was enormous. As shown in table 2, general government expenditure on education as a proportion of GDP was among the lowest in EU even before the crises and was reduced even further in it. Moreover the cumulative reduction in GDP of 25% in the crises indicates that the general government expenditure faced an even bigger reduction and the Greek authorities report a 36% drop in funding for education in the 2009-2015 period.

The Greek educational system is mainly divided in three levels, including the primary, the secondary and the tertiary education. Compulsory education consists of twelve years of schooling and a student has to complete the six years of primary education and the first three years of the secondary education (the “Gymnasio”). After the compulsory education is completed, a student has three options: She can withdraw from school, or if she continues she can either continue the secondary education, by entering the “Lyceum” for 3 more years or she can proceed to Vocational Training. Students that choose to complete the secondary education can participate to the national exams that are held every spring and according to their results on that exams can enter Higher Tertiary education that is provided by universities, polytechnics, technological educational institutes (TEI), and military, police, navy or clerk academies. The typical duration of an undergraduate program is four (4) years with the exception of polytechnics (engineering schools) that last five (5) years and medical schools that last six (6). Postgraduate courses last from one (1) to two years and doctorates from three (3) to six (6). It should be mentioned here that the reported durations for the universities are the minimums and a student can take more years to take her degree without facing any particular penalty. There was an attempt to implement an upper barrier to the years that an individual could remain in a university as a student without having completed the requirements in order to get a degree but that reform was never implemented.

Schools in primary and secondary education can be public or private while all universities are public as there is a constitutional restriction that prohibits any private universities. Public schools and universities do not charge tuition fees and textbooks are provided free to all students. It should be mentioned here that a great number of formal or informal private tutorial schools exist that provide supplementary tuition. These schools called “frontistirio” provide foreign language tuition and supplementary lessons for students usually serving as preparation for the national examinations.

All levels are overseen by the Ministry of Education, Research and Religious Affairs, that exercises control over state primary and secondary schools and supervises the private schools. Tertiary institutions are autonomous but their funding and the student’s distribution to undergraduate courses depends on the ministry. In general, the education system of Greece is highly centralized as the relevant educational authorities decide in all matters related to teaching, including the choice of teaching methods.

Although the early school leaving rate was lower than the EU average in 2014 by more than 2 percentage units, (Greece 9%, EU 11.1%) and it had a significant decrease of 5.3% in the years of crises -as it was 14.3% in 2007 -reaching the Europe 2020 target of 9.7% there were significant variations between geographical and social groups, types of school and gender. For instance, in 2013 the region of east Macedonia had an early school leaving rate which was twice the national average and children that are born abroad faced an early school leaving rate of 27.8% in 2014 compared to a 7.3% for students born in Greece. Moreover, boys had an 11.5% possibility to leave school in the same year compared to a 6.6% for girls.

As far as basic skills are concerned Greece has one of worst performances in Europe as shown by 2012 OECD PISA survey in all three fields tested (reading, mathematics and science) and there is a worsening in performance when compared to

the 2009 PISA tests. The inequalities that exist in early school leaving figures are also present here. There is a gap between native and migrant students, and among students having an immigrant background there is a performance gap between first and second generation immigrants. Moreover, there is a gender gap with boys performing significantly worse than girls. When the digital skills are examined Greece is ranked 23rd out of the 28 Member states in terms of human capital development and 25th in terms of internet usage.

Greece is around the EU average on the tertiary education attainment (37.2%, compared to an EU-28 rate of 37.9%, in 2014) and has surpassed the Europe 2020 national target of 32%. But the inequalities that have been mentioned continue to exist in tertiary education. For those born outside the country the attainment levels were 8.4% in 2014 and women are 30% more likely than men to complete higher education. Moreover the employability for recent tertiary graduates is particularly low, at a level of 47.4% compared to an 80.5% EU average in 2014. Finally participation at Vocational education and training had a rate of 33.7% while the EU average was at 48.9%

As mentioned above there were various reforms during the examined period and most of them (those in the period 2010-2014) can be examined as a unity aiming to the alignment of the Greek education and training system with EU practices, though the reforms have been criticised as an attempt to increase inequality and make education accessible only to a small fragment of the population. On the other hand the reforms of 2015 lay more emphasis on equal access as a key point for education, independently of the level, but have been criticised as a roll back in the alignment with the European practices.

More specifically, the laws 4009/2011 (Diamantopoulou bill) and 4076/2012 (Arvanitopoulos bill) for the tertiary education provided the external evaluation of universities, an evaluation that was carried out by the Hellenic Quality Assurance Authority. Moreover three circles of studies were implemented. The first circle consists of following a curriculum that includes courses that correspond to at least 180 credit units and is completed with the award of a qualification. Each academic year is 60 credits. Moreover every University may organize short-cycle programs, which include courses corresponding to a maximum of 120 credits and is completed with the award of short cycle training certificate, as defined in the Universities Organization. This certificate is not equivalent to a first cycle qualification. This was a major change as it aligned Greek tertiary education with the Bologna treaty.

Another important reform was the Athina project<sup>3</sup>. Under Athina, the academic map of the country was reorganised and two (2) universities (the University of Central Greece and the University of Western Greece) and 123 departments were closed down. The majority of the departments were departments of the Technological Institutes (TEI). The main objectives of Athina project was the consolidation of higher education institutions the reduction of study fields and geographical dispersion of departments and faculties the rationalisation of scientific fields and the connection of the academic sector with regional development needs.

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<sup>3</sup> The Athina Project was not legislated as a law but as 36 presidential degrees.

The main reform on the vocational education and training sector was the law 4186/2013 which provided an optional final apprenticeship year for vocational upper secondary school students. This additional year will lead to a higher level of qualifications. Moreover in September 2014 vocational training schools (SEK) were launched. These institutions provide recognised national certification and training in 56 specialties and intend to provide initial training to individuals that have completed compulsory education, and the attendance is free of charge.

A reform in order to introduce ICT in Greece is the Digital School project launched in 2010 that aimed to better educational results both for general subjects and specifically in ICT, in better allocation of resources and the use of digital resources to provide equal access to the education system.

Finally the law 4283/2014 provided people with disabilities more access to higher education institutes by abolishing a prior arrangement that prevented individuals with disabilities of entering in specific university departments.

The educational and training institutions in Greece were inadequate of providing a secure pathway to employment even before the crises as the youth unemployment rates of the period 2000-2010 suggest. Moreover the reforms of the period 2010-2014 favoured the labour market entry of young individuals through insecure and precarious jobs as, by the implementation of 3 circles of studies created alumni with different qualifications that did not have all the required skills to ensure a secure job and reduce job insecurity. Moreover the Athina project that closed down mainly departments of the technological institutes forced a significant proportion of young individuals not to obtain tertiary education and thus to more precarious jobs.

As seen above there is structural inequality in the Greek education system. There is a strong gender gap favouring female individuals, significant regional differences and major differences in all educational outcomes leading to increased drop out rates for migrants and individuals born abroad. These inequalities, in combination with the centralised educational system that is inadequate of addressing the different problems that arise in every school unit, create an environment that does not protect young individuals from risks of social exclusion. Thus there is increased job insecurity for among youth that leads to economic exclusion and decreased life quality especially for young individuals that belong to minorities. On the other hand, the reforms concerning disabled individuals, as well as the reforms that took place in 2015 emphasise on equal access as a key point for education, but due to the short time since their implementation the outcome of them is not clear.

The aim of the recent reforms, especially of those of the 2010-2014 period was the increase of job flexibility. The incentive of the implementation of the credit units as the only requirement to obtain the degree was to encourage students to obtain knowledge in more modules instead of deepening the knowledge in one specific area of expertise as was often said in the public debate by the supporters of the reform. Thus students could become more flexible in the labour market by combining a large portfolio of skills combining different scientific fields. Moreover the vocational training schools (SEK) that were implemented in 2014 and provide training in individuals that have completed compulsory education, could possibly increase the flexibility of young individuals as they provided short-time training in 56 different specialties.

## Section 2: Labour market regulation and wage setting

The economic policy of the fiscal consolidation and internal devaluation implemented in Greece was part of the program to overcome the economic crisis. The argument, for the choices implemented in an institutional level in the labour market, was that through the increase of flexibility (since it was considered that the labour market was not sufficiently adjusted to the needs of Greek businesses), but also, through the interference on wage formation and labour rights, the increase of competitiveness and the promotion of employment will be achieved.

The changes in labour relations and labor market regulations have focused on 4 main axes (Kouzis 2014):

1. Prevalence of flexible forms of employment instead of full time and stable employment
2. Flexibilisation of working hours
3. Liberalisation and facilitation of dismissals
4. Alteration of the way wages are formulated with main frontline the interference in the collective bargaining system and the configuration of the minimum wage by the state.

The practices applied in the private sphere of the economy in Greece are progressively transferred in the public sector, as well. Additionally, emphasis is given on combating undeclared, uninsured labour through strict administrative fines, inspections and the interconnection of information systems of competent authorities. The ultimate objective of the whole interference is to achieve a sustainable growth of Greek economy by stimulating economic fundamentals (mainly GDP growth and boosting the employment rates) and the output from the prolonged recession prevailing in the country from 2008 onwards.

In Greece, the social dialogue on issues of employment and labour relations is conducted by the unions, employers and the state (Lixouriotis, 1992). Also the tripartite model of social dialogue with confrontational elements has, also, been adopted (Georgiadou, Eurofound 2012). The basic levels of negotiation on labour issues in Greece are three. The national level (regulation of the general setting thresholds), the sectoral and the operational. Furthermore, the amount of the basic minimum wage in the country until 2012 was decided through collective bargaining and the signing of a national general collective agreement, between the representational bodies of the employees and the employers (the changes in determining the salary will be analyzed below), which is fully binding concerning the minimum employee salary limits in Greece.

For the state, the competent ministry, that carries the primary responsibility for overseeing labour issues and make relevant decisions, is the Ministry of Social Security and Social Welfare through the competent Directorate of Employment. Among other things, the Ministry of Labour is responsible for: the regulation of issues of individual and collective labour relations, but also, social security issues, respect for gender equality and equal opportunities for all employees, social protection and reintegration of employees of special categories, management of European funds and

other sources for the implementation and supervision of active employment policies through targeted programs, representation of Greece to the International Labour Organization(ILO).

Under the supervision of the Ministry of Labour are the individual institutions on labour issues. Responsible, for monitoring the application of labour law, the combat against uninsured labour and the resolution of labour disputes in a primary level, is the Labour Inspectorate which is headed by the Special Secretary of Labour Inspection. Furthermore, the Manpower Employment Organization (OAED) is the sole public body for promoting employment in a national level with key responsibility to link the unemployed with opened employment positions through a counseling and individualized approach. OAED is, also, the public Organization administering the regular unemployment benefit as well as other aids. Also, through its vocational schools, OAED executes vocations education and training programs, while it is the sole national institution implementing the apprenticeship system on Greece.

The Law on the operation of the unions and the basic rights (L.1264/1982) and the Law on Free Collective Bargaining (L.1876/1990) constitute the basis for the collective bargaining in Greece. In Greece the employees' collectives are organized through primary unions (which are formed by at least 21 people), secondary unions which are Federations and Labour Centers (at least two primary unions constitute a secondary one) and the tertiary unions which are the confederations, which the secondary unions are their members. There are two confederations in Greece: The General Confederation Of Workers in Greece (GSEE) representing private sector employees and the employees in services of general interest and the Supreme Administration of Public Servants (ADEDY) representing employees in the public sector. Unions like Federations may form their organization based in the enterprise, for example, OTE Workers' Federation, the sectorial level, for example, Federation of Bank Associations In Greece, or more rarely by occupation, such as the union of employed accountants. In terms of union density<sup>4</sup> in Greece, it is rather low as it is estimated at 28.1% (INE GSEE 2013). Among the factors that have provoked this union density decline in Greece, there is mainly a representation crisis as well as crisis of confidence in the existing structures (Kiouisis and Karakioulafi 2013)

Regarding the formation of the employers' organizations there is no specific law defining the terms of employers' participation, while their participation is completely voluntary. In Greece, there are four employers' associations. The Business and Industries Association (SEV) representing large companies and industries of the country regardless their sector. The General Confederation of Professionals, Craftsmen and Merchants (GESEVEE) mainly represents small businesses and a part of the retail business. The Greek Confederation of Trade and Entrepreneurship (ESEE) mainly represents small businesses in the retail trade. The Greek Tourist Enterprises (SETE) representing businesses in the tourism industry. The union density in private enterprises in the country reached 25% in 2013 (European Company Survey 2013).

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<sup>4</sup> A number resulting from the calculation of the relationship that arises as a percentage of the number of employed members of trade unions and the total salaried employment, ILO 1995

Other bodies involved in the social dialogue on labour relations and employment is the Economic and Social Committee (ESC), the Mediation and Arbitration Organization, the Government Employment Council.

The Economic and Social Committee is a tripartite institution (employers, employees and the broad category of the self-employed) which promotes the social dialogue for the formation of the most possible and mutually accepted positions on economic and social issues in the community. It has a consultative status and interferes on drafting laws and law proposals referred to the Committee.

The Mediation and Arbitration Organization (OMED) is an independent body established by the basic law on collective bargaining (L.1876/1990). The institutional role of the Organization is to intervene through mediation or arbitration when the parties' negotiations fail. The mediation proposals are not binding for the parties whereas the arbitral decisions constitute collective agreements and have a binding character.

The Government Employment Council was founded by the decision of the Cabinet of Ministers (L. 13/ 14.04.2014) aiming at the development of proposals and measures to tackle unemployment. The right of participation in the Government Council share the Prime Minister, Ministers responsible for labour issues, the Director of OAED and representatives of the social partners.

The main instruments used to determine the official policy for regulating the labour market and to determine the position of employees and young employees are mainly: The Labour Law, the civil code, specific laws regarding labour issues, the presidential decrees, the cabinet acts and collective agreements. Also, laws against discrimination contribute to labour issues (equal pay for equal work, gender discrimination and discrimination due to exercise rights etc.). The contribution of the Greek Ombudsman, as an independent authority, is, also, important concerning issues of discrimination at work.

The typical working time, in Greece, is 40 hours per week. Cases where employees work less hours are rare and they are determined by the Collective Labour Agreement (CLA) (for example, bank employees work -37 hours per week). Working 41 and 45 hours per week (or 46 for those working 6 days a week), that is called overworking and the payment is increased by 20%. Working 45 hours and more, that is called overtime and it is paid extra 40% when the hours of overtime are 120 and 60% when the hours exceed the 120 where permitted. Overtime work in Greece must be notified to the supervisory authorities and justified. The maximum allowable working limit, in Greece, is 12 hours.

The main institutional changes from 2008 onwards are listed, coded, in separate fields.

Regarding the fixed-term contracts they can be signed voluntarily between the parties and they can determine the end of the time of employment in advance. By the end of the contract, the contract is automatically terminated without any warning, without the right to condemn the contract or to receive a compensation. In fixed-term employment contracts, all provisions of labour law apply (regarding holiday payment, leave, etc.). The possibility of unlimited renewal of fixed-term contracts was defined by law (L. 3986/2011), if there is an objective reason (as defined by the law). If there is, indeed, an objective reason the total duration of the fixed-term contract cannot exceed the period of 3 years and, also, if during the 3 years the consecutive (a period

of 45 days) contracts are more than 3, then the existence of a permanent work contract is inferred.

In Greece the individual redundancy regime is associated with the warning period of the employee and the amount of compensation. Before the Memorandum measures, the highest warning limit was 24 months and was related to the time of employment in the company. In case of an inadvertent termination of the contract, the compensation amount (calculated based on the regular earnings of the employee) is doubled in contrast to the one after a regular termination of contract. The framework of collective redundancies applies to businesses of 20 people or more. For enterprises with 20 to 199 employees the rate of 2%-3% of staff dismissals per month is allowed (approximately 4 employees), while businesses that employ 200 people or more they can dismiss up until 30 people a month. According to the L.3863/2010 and L.4093/2012 the maximum warning time was reduced to 4 months and the maximum compensation amount from 24 to 12 months. As for collective dismissals the limit was raised up to 6 employees a month for businesses employing 20-150 up to 6 people and businesses employing up to 150 can dismiss up to 5% of their staff (Kazakos, 2012).

A critical element of the redundancy system with impact on the young people of Greece, is the establishment of a singular trial period in all permanent working contracts. More specifically, since 2010 (L. 3899/2010) in Greece the trial period was increased by six times and instead of two months it became twelve. Therefore, in all permanent working contracts the first twelve months are automatically considered as a trial employment and the employer can terminate the employment relationship without paying any compensation (Kapsalis, 2014).

In all forms of employment in Greece, the compulsory social insurance is statutory. Whether the employment is stable and full time, or whether the employment has flexible element (part-time, fixed-term, job rotational, agency work etc.), employment should be secured according to provisions of relevant insurance legislation. On the contrary, the voluntary resign is not covered by subsidy of unemployment. Every job that is uninsured is considered illegal and is punishable by an administrative fine according to Greek legislation. Regarding the basic right to the unemployment fund, that is independent of the type of the employment, as the crucial point is the deductions for unemployment. The core of this calculation, for the unemployment benefit, is the number of wages in a certain time.

A type of employment that was adopted in Greece since 2001 and constitutes as a career starting point for the young people in Greece, is temporary agency work through Temporary Employment Agencies or otherwise what in Greece is called a non-original borrowing of the employee. Up until 2010, the provisions of the Law for those employed, through these agencies, by a user company were more protective with respect to the reason of the borrowing, the time of borrowing and the guarantees that they should be available to set up a Temporary Employment Agency. So from 2010 onwards the maximum loan period was doubled from 18 to 36 months, while the obligation to accord employees to an indirect employer solely for specific reasons justified by emergent needs is removed and for that reason the obligation to indicate these reasons in the working contract is ceased. Also, the period before the recruitment, when the indirect employer should not have carried out individual dismissals of employees with the same specificities, is reduced from six to three months and from twelve to six months having made any collective redundancies of employees of the same specificities.

Two key changes in the Greek legislation during the years of the economic crisis, are the changes in the system of collective bargaining and collective agreements. The most important change that occurred was the reduction of the minimum wage by law (L.4046/2012), without the consent of the working people by 22% for employees aged over 25 and 32% for employees under the age of 25. Therefore, the minimum wage was no longer determined by the national collective agreement after the employer-employee negotiations. The basic minimum wage was set at 586,08€ for employees over the age of 25 and at 510,95 for those under 25 (Act of the Cabinet 6/28-2-2012 on implementation of the law). It is estimated that the percentage of workers with full time employment contracts in the private sector, that are paid around the minimum wage is about 22% (INE GSEE 2016 with ELSTAT Data). Also, all salary increases due to previous service experience froze, until the unemployment rates of the country drop under 10%. The aim was to reduce labour costs by 15%, so as the obligation of the government to draw, after the dialogue with the social partners, a timetable to reform National Collective Agreement and to converge the minimum wage to neighbor competitive economies (e.g. Bulgaria, Romania). The introduction of the minimum wage was established by law 4172/2013, which states that the minimum wage from January 1, 2017 will be determined by a Decision of the Minister of Labour on annual basis in consultation with the national social partners.

In the meanwhile, sweeping changes are recorded throughout the entire collective bargaining process. Firstly, it was overthrown by law (L.4011/2011), the principle of the advantageous regulation in case of a continuous collective agreements for a single employee, and now a firm level contract has prevailed a sectorial one, as long as it exists even if it includes less favorable labour terms. Firm level contacts from 2012 can be signed even in small enterprises that employ less than 50 persons. Furthermore, sectorial collective agreements are no longer binding for employers if they have not been signed by employers-members of the respective employers' organizations, as it was done until 2011. Also, an appeal to arbitration, in case of a disagreement in terms of the collective agreement, since 2012, is allowed only if both parties consent in contrast to what applied since then, when the employees could appeal unilaterally. Moreover, the arbitration is limited to solely establish the basic wages and salaries, taking into account the general socioeconomic conditions and financial facts of a certain period.

In Greece mini jobs do not prosper, because they do not pay the same amount of money compared to the corresponding data of other countries. There has been no relevant legislation so any such employment is considered undeclared and atypical and it constitutes a circumstantial labour supply of low pay (mainly for students). On the contrary during crisis the percentage of the part time job is raised from 5,5% in the third quarter of 2008 to 9,1% in the same quarter of 2015. Part-time employment in young ages 25-29 has more than doubled in Greece from 5% in 2005 it rose to 12% in 2013. Yet over two thirds of young people are employed part time involuntarily (Petmesidou and Polyzoidis 2015). Main reasons of the total increase in part time work in the country is because there are no full time jobs offered 69,4 % of part time workers claimed than they couldn't find a full time job in 2015 instead of 41,6% in 2008 (INE GSEE with LFS data).

In conjunction with the measures of labour flexibility and the collective bargaining obtained the last five years, the attempt to stop the undeclared work and the economically dependent self-employment (Koukiadis 2007) was intensified. In Greece the phenomenon of self-employment is rather wide in cases when self-

employed people provide their service to a specific employer concealing the elements of dependent employment. The development of contracts for provide service and the use of external sources by the Greek companies, were the main reasons of the growth of this phenomenon. In 2010 a new "presumption" was introduced by law, in favor of the employed work, in cases of pseudo-self-employment, if the employee proves the exclusive or main employment for nine months with the same employer. Also, a series of measures are established to combat undeclared employment, such as the labour ticket for people working occasionally in domestic or other jobs. Also, rather strict fines were institutionalized by Labour Inspectorate in case of an undeclared work from 2013 onwards. The fine for an employee over the age of 25 is 10.549,44€ and for an employee under the age of 25 the fine is 9.197,10€. In a special case, when an undeclared employee is subsidized then the penalty shall be increased by 3.000€ and if it is found that there has been prior termination of contract with the same employer the fine is increased by 5.000 €. It is an obligation, according to the memorandum, to announce any recruitment or dismissal, as well as other data through the IT system ERGANI in which OAED is connected with Labour Inspectorate and the fund of private workers. The continuous notifications on employment flows and the detection of undeclared work phenomena are succeeded due to the IT system ERGANI.

In Greece, in 2013, for the first time, law introduces the cooperation of Economic Police and the monitoring mechanisms for illegal and undeclared work and now they are considered an economic and social crime (explanatory report L.4144/2013). According to the Operational Plan "Artemis" on undeclared work after 65.503 inspections in enterprises of all sectors from 15/09/2013 until 30/11/2015, a percentage of 14,62% of undeclared work was found (Ministry of Labour, 2015).

Summarizing, it has become clear, the effort to reduce unit labour costs for companies but, also, to increase flexibility in employment in level high enough in order labour to meet the changing conditions of production and competitiveness. The reduction of unit labour costs stood at -14% in accordance to a reduction of nominal wages per employee, which stood at -20,4% (INE GSEE 2016).

The relevant literature (i.e. Kouzis 2010, Karamessini 2015&2012, Travlos 2013, Venieris 2011, Dedoussopoulos 2013, Mouriki 2012) finds almost unanimously that the changes initiated under the dismantling of labour relations and the decentralization of collective bargaining moving towards an individualization of wage and the weakening of the unions' power. Moreover a big turnaround occurred in the country's tripartite social dialogue and from now on businesses will determine the decisions for wages according to their financial needs (Aranitou 2012). In relation to already stated changes, the high levels of unemployment show that the deregulation of labour market contributes to the problem instead of solving it (Dedousopoulos-Aranitou 2013). Moreover, the concept of flexicurity in Greece was not able to balance and protect the flexible practices against the negative consequences, while in Greece recently an extreme flexibility in labour market was instituted. We can add here that, as data shows, the strict measures that were taken against undeclared work didn't help to reduce unemployment.

As for the changes made in labour market for the young people, the key change has been the institutionalization of minimum wage for employees under the age of 25, as reported (510.95 Euros). This regulation has raised criticism, as it has not been shown to solve the issue of unemployment in young people, which remains in high levels, but instead it raises phenomena of substitution and is contrary to basic equality

principles at work. The position of young people in the labour market is seen as precarious in Greece with low protection and entitlements. Jobs are for them extremely low paid, they pass through a trial period of one whole year (from which they can get fired without any compensation) and most of them are not covered by collective agreement as they enter the labour market because of the negative effect of the law on them. As a result of the above negative reforms the Greek labour market create a large number of discouraged young people that do not make any dreams to create in their country and resort to economic migration abroad as a solution to their problem. This is the phenomenon of brain-drain, which describes the leak of the high productive part of the work force (ages mainly up to 35), highly educated and qualified people who seek a better working future in European countries and in America. For that phenomenon, there are no valid statistical measurement facts, despite the fact that since 2010 this phenomenon has taken great extent.

### **Section 3: Active Labour Market Policies and Activation**

In the years before the crisis Greece laid more emphasis on passive measures in order to tackle the unemployment. Active labour market policies and programs were only a small fragment of the total programs and had three main areas of intervention: Wage and social contributions subsidies, incentives for young entrepreneurs and programs that offered work experience. Since the early 2010 there was a new generation of active programs introduced by the authorities that also report to have to increase the recourses for active measures attempting to deal with the crisis. Unfortunately, to the best of our knowledge there are no data available for government spending after 2011 but recourses addressed in ALMPs were particularly low in the previous years. It is indicative that according to OECD data for 2010/2011 ALMPs spending in Greece were only 0.2% of GDP far below the European average. The new measures have a different approach than the previous ones in the sense that they emphasize more in employment maintenance, by securing the jobs that are in risk than in the creation of new jobs. Moreover those measures have targeted the increased youth unemployment rates (Karantinos 2014)

In 2012 the ministry of labour announced plans for a number of new measures in the frame of the “Youth Initiative”. The measures included grants to enterprises in order to recruit young unemployed individuals strengthening youth entrepreneurship and various traineeships. The main measure in the plan is the “Voucher for the entrance of 35.000 unemployed young people to the labour market” that has a budget of 130 millions.

The evaluation of ALMPs in Greece has always been problematic. As mentioned in an OECD report on jobs for youth (2010, pp. 157): “none [of the previously implemented] activation programmes ... has been the object of a rigorous evaluation and even data on participants’ outcomes upon programme completion are rarely available.” Evaluations of ALMPs for the period 2010-2012 revealed that policies that targeted to the maintenance of jobs were more successful than the ones targeting in the creation of new jobs. Results from the Evaluation carried by ELIAMEP (2013)

indicate high dead weight of policies, positive but low effects on the unemployed, and ineffectiveness regarding job creation.

The main agency responsible for the implementation of the active labour market policies in Greece is the Manpower Employment Organization (OAED). OAED is a public authority and central structure managing ALMPs in general as well as ALMPs for initial vocational education combined with work practice/traineeship (Apprenticeship system) and passive labour market policies. The main programmes that are currently running are the labour market entry voucher and the Social Benefit Programme.

The Voucher programme provides work experience opportunities to labour market entrants as well as to older unemployed workers. The programme includes training both in school and in the firms, guidance and educational mentoring. The implementation of the programme is upon private Centers of Vocational Training (KEKs) that provide up to 100 hours of theoretical training and up to 500 hours of apprenticeship work for a period of 6 months. The firms that provide the traineeship must not dismiss any regular employees during that period and must employ the trainees for at least six months after the completion of the programme. The trainees receive a subsidy that is up to 2700 euro for the beneficiaries that have completed higher education for the period of theoretical and on-the job training. The programme is overseen by OAED. The budget of the programme was 130 million euros that are to be provided by the ESF backed. When the programme was first introduced one out of four unemployed beneficiaries applied for it.

The Social Benefit Program is a five month employment scheme in the public sector, mainly in local municipalities. It involves work in construction activities promotion and maintenance of cultural infrastructure as well as services such as guarding museums, social services etc.) Beneficiaries are young unemployed up to 30 years old and older long term unemployed individuals, that are paid less than the minimum wage if they are above the threshold of 25 years of age and less than the sub-minimum wage that exists for persons below the age 25 if they are below that age.

Moreover there are various programmes to support young entrepreneurship, such as the Subsidy Program for employment and self-employment of socially vulnerable youth, the support programme of Youth Entrepreneurship, a programme that assists in establishing business incubators with a technological or innovative basis, a pilot action to support youth for the establishment of Social Cooperative Enterprises, a programme that is enhancing youth entrepreneurship through promotion of business angels and seed capitals, and a programme that aims in the establishment of new farmers with priority to specific rural areas and to product standardization. (Sources: Youth Guaranty Implementation Plan)

The above mentioned programmes are part of the Youth Guaranty Implementation Plan (YGIP), which has as a main aim to ensure that “a good-quality offer to all young people up to age 25 of a job, continued education, an apprenticeship or a traineeship” can be made within four months of leaving formal education or becoming

unemployed. A lot of programmes 32 different actions are planned for the YGIP but as mentioned in the Report for the Task Force for Greece (2014) pp.42 “Only 7 programmes strictly address the YG target (15-24); one programme targets a larger one (18-29); all other programmes target subsamples of the YG target”

The Greek National Reform Programme, submitted to the European Commission mentions evaluations of active labour market policies programmes.

“Since 2010 more than 1,291,567 persons either as employees or as self-employed or as trainees, have been benefited from 74 OAED programmes for job retention, promotion of employment or training, of a total budget of €3,87 billion. It is estimated that so far the beneficiaries amount to 1,291,567 persons while the maximum number of beneficiaries upon completion of these programmes will reach to 1.471.829 persons. More specifically, the outcomes of these programmes so far are the following:

- Retention of 339.260 jobs, including 11.669 jobs in the tourism sector.
- 194.177 unemployed have been benefited from 33 programmes of finding a job or promoting small scale entrepreneurship.
- Expansion of seasonal employment by 79.473 jobs in the tourism sector.
- Vocational training of 625.209 persons, through LAEK and structural adjustment programmes.
- Initial vocational training for 41.779 young people.

It is estimated that the above actions have contributed to a halt in the growth rate of unemployment of at least 5%-7%.

Source: Greek National Reforms Programme (2013), pp.42-43

It is true that the recent crisis provoked the need for an incremental change in the previous policy mixture and a radical shift from passive to active labour market policies. The Memoranda of Understanding that the Greek governments have signed with their partners since 2010 contained various reforms deregulating Greek labour Market. Moreover the fiscal consolidation and the dramatic cumulative recession of 25% created an environment that ALMPs were more than necessary to halt the growth rate of unemployment and reduce the job insecurity for young individuals, especially those in the school to work transition stage.

There were various reforms that started in the examined period such as the reengineering of OAED, the implementation of permanently diagnostic systems to labour market needs and evaluation of active employment policies, in connection with standard information monitoring system of salaried employment flows (ERGANI). In 2013 an action plan to create new jobs and support the unemployed was carried out by the Ministry of Labour aiming to enhance labour market mobility, education and employment connection, especially for individuals that enter the labour market and long term unemployed and to upgrade the employability of human resources, especially the individuals that belong in marginalized groups. The basic interventions that were implemented after 2010 are the following:

- A Long-term program for the best combination of family and work life and access to the labour market to people that abstained due to other obligations (Especially women) by establishing facilities associated with the care of young children. This program was supported by the Agency of Social Workers Benefits and Greek agency for the development of local government and funded primarily by the Operational Programme Human Resources Development Program (E.P.A.N.A.D.) with a Budget of 280 mil and 100,000 beneficiaries.
- A program of vocational and educational training aimed at 125,000 private sector employees at a total cost of 45 mil. euro funded by Account for Employment and Vocational Training (LAEK).
- A special program for new jobs addressed to 40,000 recipients with special emphasis on young people up to 30 years, was implemented by the Employment Agency and financed by IKA and OAED with a total budget of 501.424 million euro, and a duration of 4 years
- An OAED program in order to promote female entrepreneurship through implemented for 4,000 women and funded by E.P.A.N.A.D. with a budget of 96 million.

But as it has become evident by now, the Active Labour Market Policies in Greece favor labour market entry of young people through insecure and precarious jobs of short duration. Although it is true that some programmes support human potential development through school training and on the job training they do not seem to represent stepping stones to a better job or to a stable job. However, proper evaluation of the programmes and of the outcome they have to the participants especially in later stages of their lives is yet to be done.

Moreover it is obvious that the way ALMPs were planned and implemented the years after the crisis aimed to generate a flexible and underpaid workforce of young individuals. This flexibility was promoted in various forms. The programmes supported temporary contracts of five or six months (numerical flexibility) for really low paid jobs, that sometimes are below the minimum wage (wage flexibility) and are usually part time jobs or jobs with a flexible work schedule (Working time flexibility). Those flexibility measures are not accompanied by ‘security’ measures’ that could soften the negative impacts of flexibility and insecurity with the exception of the commitment of the employer that hires an individual with the “Voucher” to keep the beneficiary for other six months.

What should be mentioned here is there was a radical shift in the design of the voucher programme in the last year towards a more secure direction for the beneficiaries that would also be benefited with higher earnings. To achieve that, there was variation in the ratio of distribution of funds. Henceforth 80% of the voucher program budget will be reached on the support of the unemployed and 20% will be given to training providers. It is noted that according to the original design, 75% of the budget ended the training institutions and only 25% of the unemployed - beneficiaries. Thus, it is estimated that the voucher programs, will bring to the

beneficiaries up to 5,500 euros, along with the employer's contribution, an amount significantly higher than the 1,600 euros he received so far.

#### **Section 4: Unemployment benefit and other relevant income protection**

The austerity policies imposed on the country as a measure of budgetary discipline have serious consequences, including the sizes of poverty of both employed and unemployed people. Especially in Greece, a particular emphasis was given, in the public debate, on poverty that affects the category of unemployed people and that of employees working mainly as an argument of political content in order to promote labour market flexibility measures and to promote reduction to salaries and labor rights (Papatheodorou 2008).

In the country, at a central administration level, the main bodies for the organization of the social protection system are (OKE 2014) the Ministry of Labour, Social Security and Solidarity which the competence of social welfare was transferred in 2012, the Ministry of Health, the Ministry of Finance (funds actions of social protection of families with low incomes), the Ministry of Rural Development and Food (which implements programs for the free distribution of food to people in need), while special responsibilities for the organization and coordination of public policies in the field of social integration of immigrants have been appointed to the Ministry of Interior and the General Population Secretariat and Social Cohesion. Additionally, in Greece important responsibility policies on the welfare sector, in a local and national level, are exercised by municipalities through actions such as support through benefits to vulnerable groups.

In the literature we can find the welfare status of Greece as a variation of the conservative-corporatist social model with roots in Bismarck redistributive model. The predominant perception that is included according to a more recent division by Ferrera (1996) in three main welfare systems that Esping Andersen(1990) separates in the distinct social welfare system of the Southern European Countries (Italy, Spain, Portugal, Greece).

According to this classification, Greece is characterized by a delayed development of the welfare state, high polarization and fragmentation of social benefits. Furthermore, the system resources are distributed based on the socio-professional status of individuals without universality in social benefits and homogeneity of rights with key role relatives and family to cover the social dangers and the patronage networks (Katrougalos and Lazaridis 2003). Proof of the importance of these atypical solidarity networks in Greece is the existence of a social exclusion phenomenon which is associated with the disruption of family and social bond and not with the deregulation of public space and the state interference which in fact never had a strong character (Papadopoulou 2004).

Among the deficiencies in the whole social protection system in Greece, the basic social assistance measure is the social transfers more than any other social service mainly proving the Greek social intervention is based on benefits. Greece is showing the worst performance among the EU-15 countries in terms of ability to reduce poverty using the other social transfers other than pensions, (3.7% reduction of

poverty from 26,9% to 23,1%, when in most EU-15 countries the same reduction exceeded 10 percentage points in 2011- INE GSEE Observatory 2014)<sup>5</sup>.

It is significant that even though the danger of poverty among the unemployed is reduced more through pensions rather than through the provision of social benefits (such as unemployment benefits) which indicates the low redistributive impact of social transfers in Greece (INE GSEE-2012). Towards mitigating the effects of poverty in Greece and the reduction of social inequalities, a pilot stage was introduced in Greece, a measure of the guaranteed minimum income in 2014 (analysis of this measure below).

The expenditure for social security in Greece (as a percentage of GDP) during the period of 1995-2008 increased significantly and from 19.9% reached 26% approaching the average of EE-15 which is 27,1% (INE GSEE 2011).<sup>6</sup> In 2008 from the total percentage of social security expenditure, the 34,6% was a state contribution, the 32,7% from employers' contributions, 21,1% was from the contributions of protected people and 11,5% derived from other expenditures (Eurostat-ESSPROS, 2001-2008). The increase of social expenses in Greece along with the stable rates of poverty the same period at 20-21% reveal the reduced effectiveness of expenditure. In the Greek case the bureaucratic mechanisms, the clientelism, the high tax evasion rates that create a false image of the economic status of the beneficiaries, explain this phenomenon. Additionally, the phenomenon of low and gradually decreasing share of other than pension expenditures such as family benefits, unemployment benefits, housing etc (Dafermos-Papatheodorou 2011).

As mentioned above pensions in Greece are the main social transfer, which prevents the risk of poverty as it has the greatest impact on income. The last five years, though, the Greek pension system has had major changes towards the vertical compression of pensions through a drastic reduction of public funding to insurance funds. Indicatively, between 2010-2014, pensions of 800€ giving an annual income of 11,200 in 2010 after four years they were decreased by 18,9% in real terms, giving a annual income of 9,079€. For higher pensions the reduction is even greater as the pensions of 2,200€ in 2010 which brought an annual income of 30,800€, in 2014 these pensions were decreased by 36.3% and the annual income became 19,611€ (Matsagganis 2016). Also, the lump sums were sharply reduced while the retirement age limit was increased from 65 to 67 years for everyone.

Overall, in the country a great insurance reform is promoted, which the state will guarantee and finance exclusively the single national pension, which will be granted to uninsured people over 65 or with insurance contributions less than 15 years with low individual or family income. The remaining part of pension will be directly connected with the years of work and the contributions of the insured. At the same time the merger of insurance funds is promoted in three key funds until 2018, while the equalization of the pension system of the public sector with the private sector is designed.

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<sup>5</sup> Eurostat Data Processing

<sup>6</sup> Based on Eurostat and ELSTAT Data

The most basic social transfer measure with a contributory aspect<sup>7</sup>, which protects against the risk of loss of work in Greece, is the unemployment benefit. The general requirement for the administration is, 125 working days in the last 14 months prior to the application, or 200 working days the past two years. Especially for those who apply for the benefit for the first time, they should, additionally, have 80 working days the last two years.

Unemployment benefits in Greece in 2012 fell by 22% after the reduction of the basic wage in the country and set at 360€<sup>8</sup> for everyone including young people who become unemployed without any special provision. The only case of changing the amount of the benefit, is the existence of underage children, when the benefit is increased by 10% for every child and there is the same correspondence to Christmas and Easter benefits. The duration of the subsidy varies from 5-12 months. Since the beginning of 2014 the maximum limit was established at 400 days of unemployment subsidy due to unemployment in the last 4 years. In 2014 the long-termed unemployment benefit was established (200€ per month) which is granted to people with low family income after the termination of the regular subsidy and it is for one year and complements the special aid of expiry (13 daily unemployment benefits) that exists in case of failing to find work after the end of the benefit. The unemployment allowance is granted based on specific economic criteria since 2013, also, to the self-employed who stopped their professional activity, with maximum administration limit nine months. The annual allowances granted to the unemployed during the years of crisis (2010-2015) have dropped by 46.3% (INE GSEE according to ERGANI and OAED data), whereas it is estimated that regarding the whole country in 2015 the levels of covering the unemployed with the unemployment benefit was only 9,5% (Matsagganis 2016 with Elstat and OAED data).

In addition to regular subsidy of unemployment in Greece there are benefits that protect against the insolvency of the employer, in case of suspension, retention of labour or the ceasing of the company's work. There are, also, special seasonal aids to employees who work at constructions or at related fields, but also the special aid after a three-month signed at the records of OAED (Manpower Employment Organisation). As for the insurance of the unemployed at the age of 29-35, there are health insurance benefits up to 2 years after being registered at the records of OAED for one whole year and after they have been insured for 600 days of work. Additionally, extra maternity protection benefits are provided to those of underlying insurance institution as well as special leave benefits (6 more months) after the end of the regular pregnancy leave.

Especially for young people there is the funding of unpaid leave for university and high school students. Grand of 50% is also provided to businesses who hire students of technical colleges, in order to do their training during which they are paid 80%of the legal minimum wage. The only true beneficiary measure in Greece that refers to

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<sup>7</sup> The resources for the administration secured by employee-employer contributions 5% of which 1.82% falls on employee and 3.18% falls on employer.

<sup>8</sup> The unemployment allowance is calculated as a daily benefit amounting to 55% of the basic wage of an unskilled worker. Therefore directly affected by the amount of the basic salary.

the funding of young unemployment (ages of 20-29), are the newcomers to the labour market benefit (73,37 Euros per month), which is paid for 5 months. Necessary conditions for the payment, is the completion of the 20th year of age or the education degree or the dismissal from the army, but also the registration to OAED for one year continuously. For the uninsured unemployed people up to 29 years, they are provided insurance after being registered at OAED for two months with renewal of the contract every 6 months without any other requirement except for the active and renewed unemployment card.

Furthermore a systemic intervention for the entrance of women in labour market is the EU-funded programme for womens' worklife balance that funds free access to accredited childcare structures with income criteria. Beneficiaries are unemployed mother as well.

By reducing employer contributions in 2014 by 23.9% in order to reduce labour costs that were implemented for the budgetary consolidation of the country, special benefits were terminated or reduced. Since 2015, the family allowance was abolished and replaced by the child benefits from the first child (40€ per month for each child, for family incomes up to 10,000€) under strict proportional income criteria. The number of recipients is approximately 750.000 families or 53% of all households with at least one child under 25 years. While the contributions decreased for the Single Account for Social Policy Implementation (ELEKP) resulting in a reduction of the available amount for training and education programs, and for the Special Common Unemployment Account. Regarding the granting of benefits for those with low pensions (EKAS), that is gradually de-established until 2020, while by then fewer beneficiaries will receive it based on strict criteria.

At the same time stricter criteria for granting special aids are introduced, the Greek state promotes the measure of the Minimum Guaranteed Income in 13 municipalities since 2014, which is presented in different ways in the other European countries, while in 2016 its pilot implementation is expected in 26 municipalities in order for it to be implemented throughout the country in the upcoming years. In fact, according to the Greek plan the program is supposed to be combined with other than a financial aid but with additional benefits (healthcare, cheap electricity supply, heating allowance, priority in actions for entering in the labor market, etc.). This measure has been supported as a proposal by the IMF (2012) and mainly intended to cover uninsured people in emergency situation by acting as a "safety net" without implying as social security the payment of past contributions to ensure the decent human living.

However, doubts have been expressed about the effectiveness of the measure because of widespread tax evasion and undeclared work that exists in the country (Papatheodorou 2014, INE GSEE 2012) while it has been suggested that such programs cause structural unemployment and cost a lot with a slow effectiveness results (OECD 2012). For the case of Greek society, the measure should not substitute other categorical programs or weaken other social security benefits, but work as a complementary (Amitsis 2013, OKE 2014). In addition to the same effect a lump sum was given which is called social dividend at the amount of 500€ per recipient (833 for those who had 2 children) and derives from the governmental primary surplus in 2013 to support people and families with low income and small real estate. A uniformed class was included to the recipients of the dividend after a ministerial decision. The total number of the beneficiaries reached the 690.000 households. The new

government is promoting measures to tackle this humanitarian crisis for the years of 2015-2016 and stopped the measure of the social dividend. Such measures include free electricity reconnection for individuals and families living in extreme poverty, rent<sup>9</sup> and food subsidy.

The benefit policy in Greece, in conclusion, does not seem to cover the young people who enter the deregulated Greek labour market with low wages as it was presented in the second section, as the Greek insurance system did not work universally during the crisis (did not introduce an emergent measure for the financial assistance for the young), but it worked in a contributory way. Therefore, without previous work, no kind of special aid for young people can be attributed, so graduation and job search without securing an elementary aid, they are the only option.

From all the above we can generally conclude that the Greek social model is moving towards a more universal but most residual social protection with a focus on poverty in the elderly and illness (Karamessini 2015) and not having any care for the youngest. This is primarily due to the underfunding of the system due to the drastic reduction in social contributions of the employees and the employers which have caused high unemployment and undeclared work rates in the country. The introduction of the obligation of the state to its citizens to ensure only the minimum decent standard limits, opens the door to large privatizations and the domination of the private sector in social security.

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<sup>9</sup> After the abolition of the Workers' Housing Organization in 2012 and the delegation of its responsibilities to OAED, there is no institution responsible for the housing policy in the country, or to initiate new projects or actions, only the completion of existing ones.

## Conclusions

According to the above analysis, it comes as a conclusion that the Greek labour market constitutes the main patient of the Greek economic crisis in the years of 2015-2016. The restriction policies of the public debt and the consolidation of public finances stroke irreparably the employment and unemployment sizes in the country, while they cause a huge drop in the living standards of the citizens. The prevailing view on unemployment in general, but also on young unemployment in particular, supports that the main causes should be looked for in the low search for work and the uncertain economic situation. Therefore the terms and the conditions of the transition of young people into the labour market are mainly determined by the overall socio-economic environment of the country. Greece is, also, a country that exports young workforce, which proves that the qualifications and their education can ensure them a place in the labour market, but abroad.

As it has become evident by now, labour market and education institutions in Greece have been rapidly reformed during the crisis towards the establishment of more flexible and precarious workforce. The Memoranda of Understanding (MoU) that the Greek governments have signed since 2010 included the legislation and implementation of various so called milestones concerning the deregulation of labour market institutions and the reform of the education system in a way that could facilitate the transition from a more stable and secure employment environment to a more flexible one where in the alter of decreasing labour costs and increasing productivity, protection of young individuals from the risk of social exclusion as well as their life quality were sacrificed.

The reasons for the formation of this hostile environment for the careers of young people in the Greek labour market and the crystallization of their overall position, this report attempted to analyze. Apart from the inability of the country to produce jobs for young people, it was also apparent that whenever they are produced, they are insecure with low labour rights and low wages. The deep institutional deregulation of the labour market in Greece, the dismantling of the wage system and the hit against the democratic social dialogue in the country, we can argue that it worked as a catalyst for the creation of precarious working conditions for young people. It was, also, highlighted that the high important reform of the basic salary of the country which for young people under the age of 25 is by 12% lower in comparison with the other age groups. The controversial measure did not seem to cure the large percentage of young unemployment, on the contrary, it introduced, as it is shown by empirical evidence, a policy for the change of recruitments when a person reaches the age of 25 or the dismissal of people older than the age limit, in order to recruit new and less expensive employees.

The reforms in the education and training system, including the implementation of credit units in the universities and the establishment of 3 circles of studies aimed mainly to the increase of the flexibility of labour market entrants. The reforms that took place in the period 2010-2014 did not lay emphasis to the decrease of the inequalities in access in education and acquisition of skills that were present before

the crisis, especially for migrants and individuals born outside of the country. On the contrary, the reforms that took place in 2015 had as a primary objective to address the observed inequalities and to ensure the access to education for minority groups but it is too soon to have accurate estimates of the results of these reforms.

Active Labour Market Policies had a sharp increase during the years of the crisis in an attempt to address the deteriorating youth unemployment problem. The active programs that aimed both in the employment maintenance and in the creation of new jobs are estimated to have contributed to a halt in the growth rate of unemployment of at least 5%-7%. However those policies favor labour market entry through precarious and flexible jobs and in their vast majority were not accompanied by security measures in order to soften the negative impacts of the above mentioned precarity.

The loss of precious resources of the Greek system due to the high increase of unemployment and of the uninsured employment contributed to the inability to provide substantial income support for the unemployed. The financial aids for the young people except for the unemployment benefit are negligible and no other initiative to reverse this image was recorded. As a part of the overall deregulation of the social state of Greece, every single social intervention is limited only to cover the lowest limits of living, so as the legislative interventions safeguard this situation of emergence with no existent age parameter. Alongside, the adoption of the minimum guaranteed wage in the country is expected to reveal the next term the possible effect on the change of the state of the young people in the labour market, as it is designed to provide an intervention to combine ways of entering the labour market.

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Annex

TABLES

Table 1 Key indicators and Benchmarks

			Greece		EU average		
			2011	2014	2011	2014	
<b>Educational poverty and spending cuts</b>							
Share of 15 year-olds with underachievement in:	Reading	•	:	22.6% 12	:	17.8% 12	
	Maths	•	:	35.7% 12	:	22.1% 12	
	Science	•	:	25.5% 12	:	16.6% 12	
Education investment	Public expenditure on education as a percentage of GDP			3.0%	2.3% <sup>15</sup>	5.1%	5.0% 13
	Public expenditure on education as a share of total public expenditure			5.5%	3.9% <sup>15</sup>	10.5%	10.3% 13
<b>Education attainment levels of young people across Europe</b>							
Early leavers from education and training (age 18-24)	Men			15.9%	11.5% <sup>u</sup>	15.2%	12.7%
	Women			10.0%	6.6% <sup>u</sup>	11.5%	9.5%
	Total	•		12.9%	9.0% <sup>u</sup>	13.4%	11.1%
Tertiary education attainment (age 30-34)	Men			26.8%	32.9%	31.0%	33.6%
	Women			31.5%	41.6%	38.7%	42.3%
	Total	•		29.1%	37.2%	34.8%	37.9%
<b>Policy levers for inclusiveness, quality and relevance</b>							
Early childhood education and care (participation from age 4 to starting age of compulsory education)	•			76.0%	76.4% <sup>13p</sup>	93.2%	93.9% 13

Foreign language learning	Share of ISCED 2 students learning two or more foreign languages		97.2%	95.8% <sup>1</sup> <sub>2</sub>	63.0%	:
Share of ISCED 3 students in vocational education and training (VET)			31.7%	33.7% <sup>1</sup> <sub>3</sub>	50.4%	48.9% <sup>13</sup>
Employment rate of recent graduates by education attainment (age 20-34 having left education 1-3 years before reference year)	ISCED 3-4		46.1%	38.8%	71.3%	70.8%
	ISCED 5-8		52.8%	47.4%	82.5%	80.5%
	ISCED 3-8	•	50.4%	44.3%	77.1%	76.1%
Adult participation in lifelong learning (age 25-64)	ISCED 0-8 (total)	•	2.5%	3.0%	8.9%	10.7%

Sources: European Commission, Greek ministry of Finance, ELSTAT, Eurostat (LFS, UOE, GFS); OECD (PISA, TALIS). Notes: • ET 2020 benchmark; data refer to weighted EU average, covering a different number of Member States depending on the source; b= break in time series, d= definition differs, p= provisional, u= low reliability, 12= 2012, 13= 2013, 15=2015. The comparison starts after 2011 as the crises affected Greece after 2010 and no major educational reforms were implemented before 2011

Table 2

	2015 (est.)	2014	2013	2012	2011	2010	2009
%GDP	2.3	2.6	2.7	2.8	3.0	2.8	2.9

General government expenditure on education as a proportion of GDP

Source: Hellenic Ministry of Finance (2015)