Greece

‘Activation’ reforms in a residual and fragmented system of social protection against unemployment

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Greece has one of the most residual social protection systems against unemployment in Europe, which goes hand in hand with a familialistic model of social regulation of unemployment. In recent years the system has undergone several reforms. The main drivers for change were, first, the European Employment Strategy (EES) and the related debate on activation of both the unemployed and passive labour market policy expenditure and, second, the political decision to provide safety nets and a smooth transition to retirement for middle-age and older workers who are made redundant.

The impact of ‘activation measures’ on easing and shortening transitions from unemployment to employment, giving access to a market income, has yet to be evaluated. Nonetheless, recent reforms have only superficially dealt with the extremely low beneficiary rates; have increased inequality of treatment among the unemployed; and may even worsen the already low wage-replacement rates. As a consequence, the residual character of the Greek system of social protection against unemployment has remained intact and its fragmentation has increased.

The system of income protection against unemployment: institutional configuration and rationale

Income protection against unemployment was first established in 1945 as an insurance-based system whose coverage gradually expanded from the Athens region to the whole national territory. In 1951 the initial Unemployment Fund merged with the main Social Insurance Fund for employees (IKA), before becoming the main branch of the newly founded

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1. For a detailed history of the system until 1992, see Konstantinopoulos (1993).
Employment and Unemployment Insurance Organisation (OAAA) in 1954, with the purpose of grouping unemployment insurance with employment services under the same agency. This plan was abandoned immediately after the foundation of OAAA, and materialised only 15 years later with the creation of the current Manpower Employment Organisation (OAED) in 1969.

Since 1945, unions and employer organisations have always been officially represented on the executive boards of all the above-mentioned agencies, which collected contributions and distributed benefits. Employee representatives invariably made up one third of board members while those of the employer organisations constituted another third. The remaining members were appointed by the government.

Mode of financing

From 1945 to 1954, unemployment benefit was financed exclusively by employer contributions. In 1954 the overall contribution rate was set at 3% of gross wages, split between 2% for the employer and 1% for the employee. In 1992 these rates were raised to 4%, 2.67% and 1.33% respectively, and have remained at the same level ever since. A deviation from the insurance principle took place in 1985 when the State legally assumed the obligation to transfer a pre-defined amount of resources from the state budget to the unemployment insurance branch of OAED every year.

Income support – benefits and allowances

Since 1954, income support for the unemployed has consisted of regular benefits and special allowances. The first are insurance-based and granted to the unemployed who fulfil the qualifying conditions set by law, while the second are distributed to unemployed people who are not eligible for regular benefits.

Until the mid 1980s, unemployment insurance was characterised by relatively lax qualifying conditions for benefit entitlement, except for first-time applicants and seasonal workers, but the benefit duration did not exceed 12 months, and wage replacement rates were low. In 1954 the amount of benefit was defined by law at 40% of the daily and 50% of the
monthly wage of the insurance class to which corresponded the last gross wage received by the claimant. The minimum benefit was fixed at two thirds of the minimum wage while the ceiling was set annually by the Ministry of Labour. The amount of benefit was increased by 10% for each dependant of the claimant. In 1994, the benefit scale, derived from the wages of insurance classes, was boosted up by 30%. From that year until 2007, when a new mode of benefit calculation was adopted, the benefit scale was periodically adjusted upwards, but increases fell short of average increases in wages.

Figure 1 **Beneficiary rate (benefits and allowances)**

![Figure 1](image)

Source: Own elaboration of Labour Force Survey data from the National Statistical Service of Greece (NSSG).

With regard to unemployment assistance, the special allowances were distributed at the Minister of Labour’s discretion to individuals and whole categories of workers unspecified by law, thus reproducing clientelistic and corporatist relations through the political management of unemployment. Workers in seasonal occupations were the main beneficiaries of such allowances and remain so today.

The economic crisis of the mid 1970s became more acute in Greece in the early 1980s and revealed the inadequacy of the system to provide coverage to those particularly hit by mass unemployment, i.e. young first-time labour market entrants, and the increasing numbers of long-term
unemployed. At that time it also became evident that the system was leaning towards the welfare principle, since a large proportion of beneficiaries were receiving special allowances, which accounted for 50% of total expenditure on unemployment transfers in 1980-1981 (Karagianni, 2002).

The 1985 reform, the first major reform of the system since 1954, relaxed the qualifying conditions of regular benefits for first-time applicants and employees working in industries with seasonal activity such as construction, tourism, fishery etc. It also introduced two new special allowances, one for the unemployed whose benefit period had ended, and another, of a derisory amount, granted to young labour market entrants after 12 months of unemployment. Four years later, in 1989, a new law abolished the Minister of Labour’s discretionary powers and regulated the special allowances for the seasonally unemployed who were not eligible for regular benefits. The same law provided for an allowance equal to 10% of gross wages in the case of temporary lay-off, thus raising the overall wage replacement rate of temporarily laid-off workers from 50% to 60%. Finally, in both 1990 and 1992, the duration of all regular benefits was increased by one month.

Figure 2 Duration of unemployment benefits

A familialistic model of social regulation of unemployment

1992 marked the end of the period that began in 1985, during which reforms of the Greek system of income protection against unemployment sought to improve benefit coverage and duration. However, these reforms were very modest. It is thus no surprise that the system was still one of the most residual in the EU-15 and the OECD with respect to both beneficiary and wage-replacement rates in the first half of the 1990s (Schmid and Reissert, 1996). While the average duration of benefit increased from 3.2 months in 1985 to 6.4 months in 1994, during the period of economic recession and rise of unemployment in 1991-1994 the overall beneficiary rate stood on average at 8% of all unemployed people (Graphs 1 and 2).

Given the extremely low beneficiary and wage-replacement rates, and the short average duration of benefit, the Greek family was obliged, as in the past, to assume the primary role in the income protection and support of the unemployed, but this time in a context of soaring unemployment.

Gallie and Paugam (2000) have distinguished three models of social regulation of unemployment according to the share of responsibility assumed by public authorities and the family for providing for the unemployed: the public individualistic, the familialistic and the shared-responsibility models. Undoubtedly, Greece remained a good representative of the familialistic model in the mid 1990s. It will be deduced from the following sections that it still adheres to this model today.

Income support and job placement: the missing link

As previously mentioned, unemployment insurance and employment services were only brought together under the same agency in 1969 with the creation of OAED. The new agency absorbed the existing Employment Offices founded in 1937 with the aim of placing the unemployed in jobs. But it was also supposed to develop new services for all labour force participants, such as vocational guidance, education and training (Konstantinopoulos, 1993). It is a common secret that, since their creation, the Greek Employment Offices have never developed job placement services. It is thus no surprise that, according to ECHP data, only 1.8% of all those hired in 1998-2000 found their job through these offices (Kanellopoulos, 2001).
The lack of placement services is one of the two main reasons why there has never been a link between unemployment benefit delivery and employment promotion. The other reason is that the institutional framework in place never explicitly required collaboration between the unemployment insurance and employment services in the treatment of the unemployed. Consequently, despite the 1971 administrative reform of OAED’s services at local level, which brought the Unemployment Insurance and the Employment Offices together in the same building and administrative unit, cohabitation did not lead to cooperation. In 1982, these two different services split again, both administratively and in terms of location. That situation remained the same until 2007, when an administrative reform of OAED transformed the Employment Offices into ‘one-stop shops’, combining the delivery of benefits and allowances with individual counselling, vocational guidance and job search assistance; and implementing active labour market policy schemes, the search for job vacancies, job matching and placement. However, the search for job vacancies, job matching and placement still remain underdeveloped today.

Unemployment insurance: current provisions and recent developments

We present below the current provisions of unemployment insurance benefit in Greece with special reference to recent developments.

Conditions of benefit entitlement

To receive a benefit a person must be involuntarily unemployed, capable of and available for work, and registered with OAED. In addition, the person must not be self-employed and must not receive a retirement pension equal to or higher than the minimum pension granted by IKA. Finally, the person must have a contribution record of 125 working days in the last 14 months, or 200 days in the last two years prior to applying for the benefit, not counting the days worked in the last two months before the application. For workers in tourism and seasonal occupations, the requirement is 100 working days in the last 12 months. First-time applicants must also have worked for at least 80 days per year in the last two years prior to their application.
Benefit duration

The benefit is paid for a period that differs according to the worker’s contribution record in the 14-month, 12-month or two-year reference period. In all cases the duration of benefit is 12 months if the applicant has worked for 4,050 days or more.

Table 1  Duration of unemployment insurance benefit

<table>
<thead>
<tr>
<th>Days of employment (contributions)</th>
<th>Duration (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>125*-149</td>
<td>5</td>
</tr>
<tr>
<td>150-179</td>
<td>6</td>
</tr>
<tr>
<td>180-219</td>
<td>8</td>
</tr>
<tr>
<td>220-249</td>
<td>10</td>
</tr>
<tr>
<td>250 or more</td>
<td>12</td>
</tr>
<tr>
<td>210 days and 49+ years old</td>
<td>12</td>
</tr>
</tbody>
</table>

* 100 days for workers in construction, tourism, fishery etc.

Calculation of benefit amount

One of the two most important recent developments in the benefit system is the change in the mode of calculation of the benefit amount. A law passed in 2007 defined the basic unemployment benefit at 55% of the gross daily wage of an unskilled worker for those previously employed in a full-time job. 50% of this basic benefit is paid to the unemployed who were not employed in a full-time job and whose monthly wage was lower than or equal to six times the daily wage of an unskilled worker; 75% of the basic benefit is paid to the unemployed who were not employed in a full-time job and whose monthly wage was higher than six times and lower than or equal to 12 times the daily wage of an unskilled worker.

Unemployment benefit is paid for 25 days per month and increases by 10% for each dependant of the claimant. The benefit is tax free and its payment is interrupted in the case of income from commercial businesses or liberal professions.

The new mode of calculation implies the abandonment of the insurance principle, which guarantees a wage-related income, in favour of flat-rate benefits and the welfare principle, which guarantees a minimum income.
Special benefit schemes

The second most important recent development in the unemployment benefit system is the introduction of ad hoc special schemes for workers made redundant by large companies that have closed down or undergone severe downsizing. Such schemes have been sporadically introduced since the beginning of the 2000s as part of packages of measures intended to curb social protest against mass redundancies in the unionised sector of the economy; the recent crisis has intensified recourse to such schemes.

These schemes targeted workers aged 50 or more with a long contribution record. Their aim was to bridge the gap between employment and retirement by providing much higher unemployment benefit (usually equal to 80% of the last wage) and for a much longer duration (up to 5 years in some cases) than under the standard insurance scheme^2. The generosity and the financing of the schemes were negotiated case by case between the government, employers and trade unions.

To standardise conditions and levels of income support between these schemes, a Special Social Solidarity Fund was established by law in 2007 for all workers aged 50 or more made redundant by firms in declining industries and located in areas of high unemployment^3. However, this fund is not yet operational and new special benefit schemes are currently being negotiated and agreed upon.

The obligation to accept job offers and recent activation policies

Both basic laws regulating unemployment benefit determined conditions for losing entitlement if the unemployed person did not accept job offers, and other requirements. The L.D. 2961/1954 stipulated that the unemployed person would lose benefit entitlement if (s)he did not accept an offer of a job related to his/her skills and with reasonable pay and prospects of advancement, or if (s)he refused to undertake an

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^2. In the same direction, a 2000 law stipulates that female and male long-term unemployed, aged 55 and 60 years respectively, and who lack 5 years of contributions to be entitled to a full pension, may ask for the full coverage of the remaining contributions by a special fund (LAEK) financed by employer and employee contributions.

^3. Claimants must have paid contributions for 7,500 working days. The allowance amounts to 80% of the last wage up to €900, or covers training fees up to €900.
occupational adjustment. Also the subsequent Act 1545/1985, in application today, states that ‘the unemployed person loses entitlement if (s)he does not accept a job offer by OAED in his/her broader occupational group or refuses to attend a vocational education or training course, or does not benefit from the possibilities for employment’.

Until recently it was impossible for OAED to enforce the aforementioned conditions, given the missing link in the institutional framework of OAED between benefit delivery, on one hand, and job placement and implementation of active labour market policy (ALMP) schemes on the other. The former was the responsibility of the Insurance Offices, and the latter the responsibility of the Employment Offices.

In the second half of the 1990s, the ‘activation’ debate in Europe and the integration of ‘activation’ logic and principles in the objectives and guidelines of the EES, urged Greek policy-makers to design and implement activation policies and measures. Two policy initiatives have been implemented in this direction:

a) The administrative reform of OAED which began in 2001 and involved, among other things, the reshuffling and upgrading of the Employment Offices and the official adoption of an ‘individualised approach’ in the assistance provided to unemployed people. The reform culminated in 2007 with the integration of unemployment benefit delivery among the services provided by the Employment Offices (see above).

The manner in which the individualised approach is implemented is crucial for the degree of constraint it puts on the unemployed to accept job offers or participate in ALMP schemes. Currently, all unemployed people registered with OAED are obliged at least once to undergo a personal interview, receive individual counselling and agree with the employment counsellor on an ‘individual action plan’. Yet they are not sanctioned if they do not follow this plan. Besides, meeting the counsellor is a prerequisite for the monthly renewal of the unemployment card for unemployed people who do not receive benefits and wish to participate in ALMP schemes; but it is not a prerequisite for receiving benefits. Individualised assistance is thus voluntary for the unemployed on benefits, and is not yet linked with any obligation on their part.
b) The second policy initiative is aimed at the ‘activation’ of ‘passive’ expenditure on benefits. It is an open scheme, running since 2004, according to which the unemployed may use their benefits as wage subsidies for private sector employers who hire them for either a full-time or a part-time job. A recent 2009 law extended this scheme to hires in the public sector.

**Unemployment assistance: extension to new groups, but gaps in the safety net**

Unemployment assistance in Greece has thrived in the many gaps in the unemployment insurance system. Seasonal workers were the first and indeed the only population to receive allowances from 1954 to 1985. From the mid 1980s onwards, the number of allowances has increased in two waves: 1985-1989 and 2000-2009 (Box 1).

‘First-wave’ reforms mainly granted an allowance to young new labour market entrants, and reorganised and improved income support to seasonal workers. ‘Second-wave’ reforms introduced an allowance for workers aged 45 and over with a long employment record suffering from long-term unemployment and low income; and in-work benefits for the long-term unemployed who accept part-time jobs. In-work benefits are an activation measure stemming from the ‘make work pay’ rationale, according to which benefits can be used as work incentives.

**Unemployment allowances**

**Seasonal workers with limited contribution records (1989)**

The allowance is paid once a year to construction, tobacco, forestry and quarry workers, shoe makers, tile makers and potters, employees in hotels and restaurants, musicians and actors, cinema and television technicians etc. who have worked in seasonal activities related to their occupation for 50 – 210 days in the year before the payment of the allowance and have not worked for more days in other activities.
New labour market entrants aged 20-29 who are long-term unemployed (1985)
The allowance is granted on condition that they remain registered as unemployed for one year. It amounts to €73.37 per month and is paid for five months.

Unemployed people who have exhausted unemployment benefit (1985)
Claimants receive 13 basic daily benefits, on condition that they remain unemployed for one more month and that the annual family income does not exceed €8,217.68.

Unemployed after three months of registration with OAED (1989)
Distributed to non-seasonal workers who have worked for at least 60 days in the year prior to registration with OAED as unemployed; 15 basic daily benefits are granted, on condition that the annual family income does not exceed €8,217.68.

Redundancy due to insolvency of the employer (1989)
The allowance is equal to three months' earnings.

In-work allowances for the long-term unemployed working part-time (2000)
Granted for one year to part-time workers working at least four hours a day.

Distributed to people who are unemployed for twelve consecutive months, who remain registered with OAED and who have already claimed benefit for 12 months. The annual family income must not exceed €5,000 (increased by €587 for each child under 18). The allowance amounts to €200 and is paid for 12 months.

The expansion of entitlements to new groups of unemployed people is the main determinant of the increase in the overall beneficiary rate from 5% in 1989 to 18% in 2008 (Graph 1). However, the proliferation of special benefit schemes and allowances has increased the inequalities in treatment of unemployed people between and within the different groups without providing a universal safety net.

The outcome is an incomplete and fragmented income protection system against unemployment, combined with an even more
fragmented social assistance system, to which the former belongs. To overcome these deficiencies, some researchers have suggested the adoption of a flat-rate non-contributory benefit to which all unemployed people would be entitled, topped up by contributory benefits granted to unemployed people according to their insurance record (Kikilias and Chletos, 2002).

Explaining the persistently low coverage – structural and institutional causes

Notwithstanding some progress in the last 20 years, by international standards the coverage of the Greek unemployed by either benefits or allowances remains at an extremely low level today. Understanding how structural factors interact with institutional factors to produce a beneficiary rate of 18% even today is important in assessing the public debate on income support provided to the unemployed.

Table 2  Unemployment by age and sex in 2008

<table>
<thead>
<tr>
<th>Age</th>
<th>Unemployment rate (%)</th>
<th>Share of all unemployed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>16.1</td>
<td>43.1</td>
</tr>
<tr>
<td>men</td>
<td>12.3</td>
<td>18.6</td>
</tr>
<tr>
<td>women</td>
<td>21.2</td>
<td>24.5</td>
</tr>
<tr>
<td>30 years or over</td>
<td>5.5</td>
<td>56.9</td>
</tr>
<tr>
<td>men</td>
<td>3.3</td>
<td>20.8</td>
</tr>
<tr>
<td>women</td>
<td>8.8</td>
<td>36.1</td>
</tr>
<tr>
<td>All</td>
<td>7.7</td>
<td>100</td>
</tr>
<tr>
<td>men</td>
<td>5.0</td>
<td>39.4</td>
</tr>
<tr>
<td>women</td>
<td>11.5</td>
<td>60.6</td>
</tr>
</tbody>
</table>


To start with structural reasons, there is a very significant age and gender dimension of unemployment in the Greek labour market. Young people run a three times higher risk of unemployment than those aged 30 years or over, and women’s risk of unemployment is more than twice that of men. Most importantly, young people under 30 along with women aged 30 or more constitute 79% of all unemployed people (Table 2). Men aged 30 or over are in fact the best protected group from the risk of unemployment, in accordance with the male-breadwinner family model, and represent only 21% of all unemployed people.
The age and gender composition of the unemployed is related to the fact that, in 2008, new labour market entrants and returnees constituted 35% and 8.5% respectively of the unemployed (Table 3). If we also consider that 4% of all unemployed people were self-employed before entering unemployment, we can explain why only 53% of all unemployed people in 2008 were previously employed as wage earners. By subtracting from the latter those who resigned from their previous job and have no official entitlement to benefits, we find that only 43% of all unemployed people can theoretically claim benefit regardless of whether or not they fulfil the qualifying conditions.

Table 3  Composition of the unemployed, and beneficiary rates in 2008

<table>
<thead>
<tr>
<th>Status before unemployment</th>
<th>Share of all unemployed (%)</th>
<th>Beneficiary rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New labour market entrants</td>
<td>35.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Returnees</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>Self-employed</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Wage earners</td>
<td>52.6</td>
<td>34.1</td>
</tr>
<tr>
<td>All unemployed</td>
<td>100</td>
<td>18.0</td>
</tr>
<tr>
<td>Wage earners - reasons for unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Made redundant</td>
<td>18.0</td>
<td>37.2</td>
</tr>
<tr>
<td>On fixed-term contract that ended</td>
<td>24.8</td>
<td>40.0</td>
</tr>
<tr>
<td>Resigned for personal, family and care reasons</td>
<td>4.5</td>
<td>13.4</td>
</tr>
<tr>
<td>Resigned for other reasons</td>
<td>5.3</td>
<td>14.1</td>
</tr>
<tr>
<td>All wage earners</td>
<td>52.6</td>
<td>34.1</td>
</tr>
</tbody>
</table>

Source: Own elaboration of Labour Force Survey data (NSSG).

Table 4  Employed immediately before unemployment, by duration of unemployment

<table>
<thead>
<tr>
<th>Duration of unemployment</th>
<th>Proportion of all unemployed (%)</th>
<th>Beneficiary rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will start searching shortly</td>
<td>1.0</td>
<td>42.8</td>
</tr>
<tr>
<td>Less than 1 month</td>
<td>8.0</td>
<td>37.3</td>
</tr>
<tr>
<td>1-2 months</td>
<td>18.2</td>
<td>51.4</td>
</tr>
<tr>
<td>3-5 months</td>
<td>16.6</td>
<td>47.9</td>
</tr>
<tr>
<td>6-11 months</td>
<td>15.8</td>
<td>37.8</td>
</tr>
<tr>
<td>12 months or more</td>
<td>40.4</td>
<td>9.6</td>
</tr>
<tr>
<td>All</td>
<td>100</td>
<td>30.6</td>
</tr>
</tbody>
</table>

Source: Own elaboration of Labour Force Survey data (NSSG).
Long-term unemployment does not only hit young labour market entrants but also those entering unemployment from employment. In 2008, 40% of those who were employed immediately before unemployment had an unemployment duration of 12 months or more, and only 10% of them received a benefit or allowance (Table 4). This low beneficiary rate is explained by the incapacity of the allowance introduced in 2002, for the long-term unemployed aged 45-65, to cover a substantial proportion of the long-term unemployed who have lost their jobs. The analogous allowance for young labour market entrants who are long-term unemployed, introduced in 1985, covers 1.5% of all unemployed labour market entrants aged 20-29 years (Table 3).

Last but not least, low benefit coverage also affects those who are unemployed for less than 12 months, particularly those who are unemployed for 6-11 months. This can be explained by low average contributions, which in turn are the outcome of three main, partly interrelated, phenomena: the large proportion of seasonal workers among unemployed people; the large proportion of workers who become unemployed at the end of a fixed-term contract; and widespread informal work, especially among young people, women and immigrants. Evasion of social security contributions (including those for unemployment insurance) is a major aspect of informality.

In summary, low benefit coverage and the familialistic model of social regulation of unemployment are reproduced through structural phenomena, in the labour market and the family, which impact on the composition of the unemployed population and the length of contribution records, as well as through institutional regulations that determine entitlement, qualifying conditions, and benefit levels and duration.

4. Using Labour Force Survey data for 2008 on unemployed people with previous work experience, we have estimated that 28.1% were last employed in tourism; 16.9% in wholesale or retail trade; 16.6% in manufacturing; 5.7% in construction; 5.7% in public administration; 3% in education; and the remaining 24.6% in all other economic activities.

5. From the data in Table 3 we have calculated the relative importance of the three main reasons for entering unemployment from employment: dismissal (34%), end of fixed-term contract (47%), and resignation (19%).
Public debate

Income protection against unemployment has not been a hotly debated issue in recent years in Greece, but the social partners have expressed their opinions and claims on several occasions, concerning several aspects of the system.

Firstly, governments and employer organisations do not consider the level and duration of unemployment benefit and allowances as possible disincentives to active job-seeking. In contrast, the Greek General Confederation of Labour (GSEE)\(^6\) believes that both the level and duration of unemployment benefit are clearly insufficient to ensure a decent standard of living for the unemployed. In recent years GSEE has persistently claimed from all governments a benefit level fixed at 80% of the last wage, and an extension of the duration of benefits. It has also repeatedly denounced governments for infringing their legal obligation to set the minimum unemployment benefit at 66.6% of the minimum wage\(^7\). It is noteworthy that these central, and by far the most well-known, claims are based on the representation of the unemployed as dismissed workers.

Curiously, Law 3552/2007 that replaced wage-related benefits with a single flat-rate basic benefit hardly raised any social protest from the unions. The Opinion of the Economic and Social Committee (OKE) on the bill (OKE, 2007), endorsed by both union and employer representatives, proposed that the basic benefit should be set at 66.6% instead of 55% of the minimum wage, and that the benefit duration should be lengthened with the aim of improving the situation of the long-term unemployed. Yet there was no objection or discussion of the pros and cons of the replacement of wage-related benefits by a single flat-rate benefit anywhere in the text.

In the same text, the social partners expressed their joint opinion on the Special Social Solidarity Fund intended to provide income support to persons made redundant in declining industries located in regions with very high unemployment (see above). Among other comments, they

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\(^6\) GSEE is the single union confederation for Greek employees working under private-law contracts.

\(^7\) For instance, in 1999 the rate was equal to 47.2%, in 2004 56.5% and in 2006 50.4%.
expressed reservations about the provision stating that claimants should lose their entitlement to benefits if they refuse a job offer. In particular, they pointed out that the provision could not be applied before the ‘broader occupational categories’, within which unemployed people are legally obliged to accept jobs, were defined through social dialogue and ratified by law. This Joint Opinion thus reveals that employer organisations disagree with a workfare approach to activation, while the unions consent to the conditionality of benefit entitlement on acceptance of job offers.

In a more recent Joint Opinion (OKE 2008) that draws heavily on a special report of the Ombudsman (Ombudsman, 2007), the social partners argue that adequate income protection against unemployment depends on:

a) The extension of unemployment insurance to currently excluded groups of workers (the self-employed, workers on service contracts, home workers, teleworkers, family members working as employees in personal family businesses etc.)

b) The expansion of unemployment assistance to groups of workers who either cannot achieve the required insurance record for eligibility to benefits (e.g. workers on consecutive fixed-term contracts) or who have exhausted unemployment benefit before finding a job.

c) The introduction of a minimum guaranteed income that would also operate as a safety net for the unemployed.

These proposals could improve insurance coverage and overcome the fragmentation and gaps in unemployment assistance. However, they seem to ignore the impact on coverage of the full range of structural factors analysed in the previous section.

Last but not least, although the social partners are positive about the ‘activation’ of unemployment benefits through their transformation into wage subsidies for private sector employers, the GSEE has strongly opposed the recent law allowing their use for access to public sector jobs. This criticism is based on the further erosion of permanent employment in the public sector, and fears of political exploitation of the relevant schemes by the ruling party through clientelistic networks.
References


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Ombudsman (2007) Special Survey, Unemployment benefits: the rights of the unemployed and the functioning of OAED services, June 2007. (G)


(G) = in Greek