

Towards a European Job Guarantee: the “Special Case” of Greece

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ETUI Seminar, JOB GUARANTEE in Europe?

www.etui.org/events/job-guarantee-programmes-europe-tool-recovery-resilience-and-just-transition

A limited Job Guarantee: the case of Greece

CONTEXT

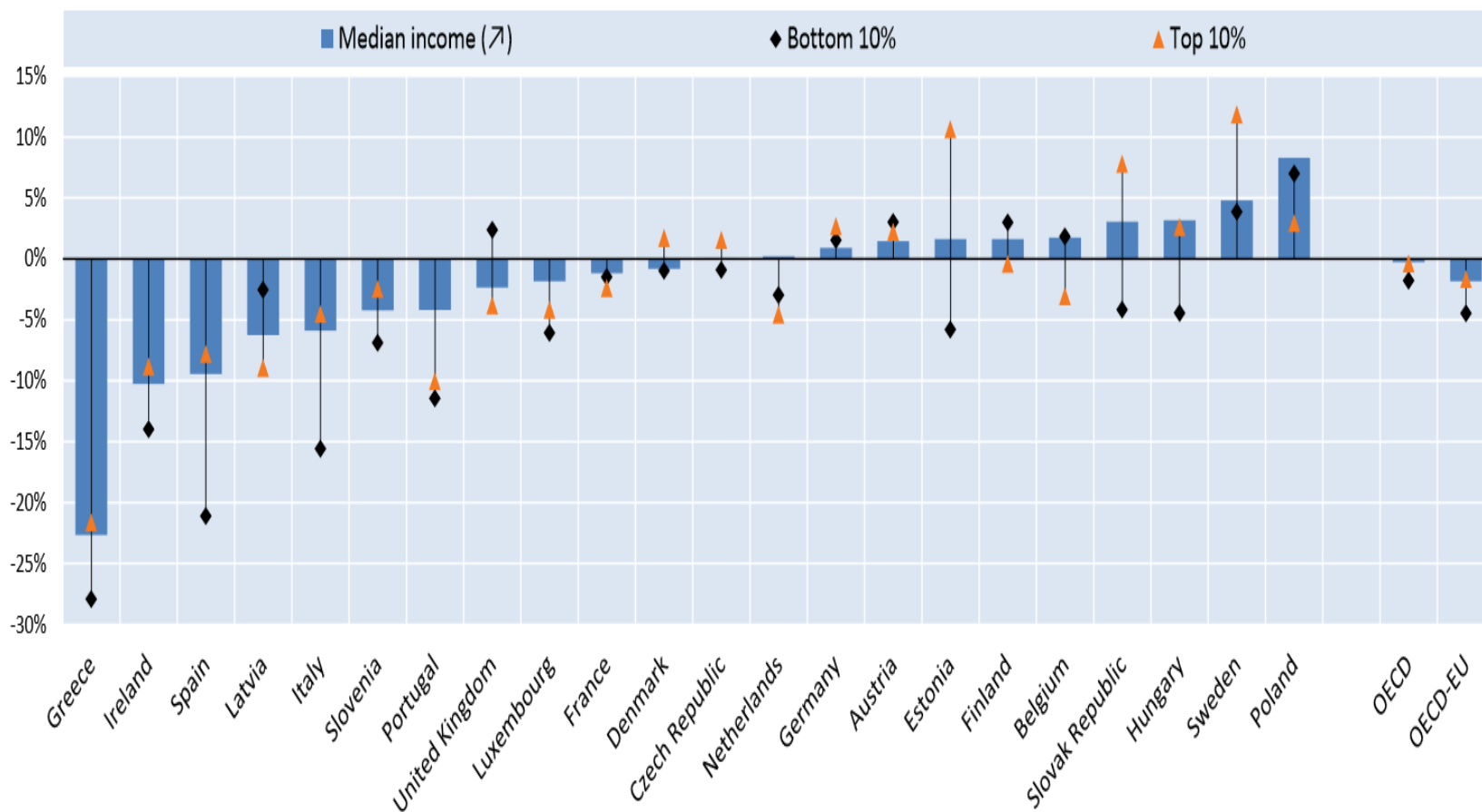
2010- 2015 (two administrations of the traditional parties)

- Greece accepted two rescue packages: the 2010 and 2012 MoUs
- GDP declined by 25%
- Investment dropped from 60 billion to 20 billion annually
- Unemployment increased from 7.8% to 27.8%

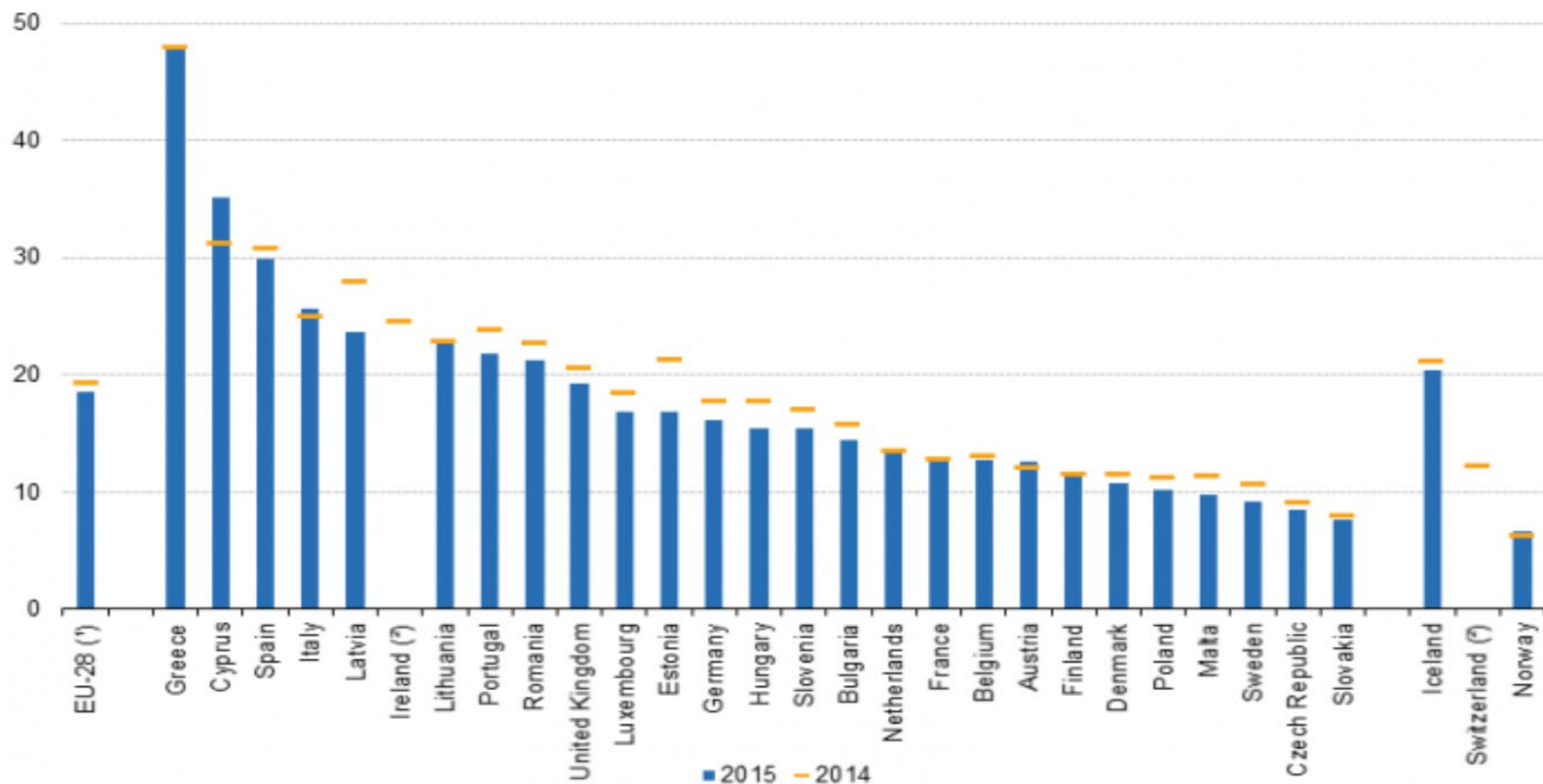
2015 - 2017 (a new party gets elected)

- Greece enters a third MoU in August 2015
- GDP stagnates and then increases by 1.4% in 2017
- FD Investment increases gradually-reaches an increase of 30% in 2017
- Unemployment decreases to 20,7% with 300.000 net new job creation from Jan 2015-Jan 2018

Real disposable income growth between 2007 and 2014 (or latest year) by income group, total population



Source: OECD Income Distribution Database (<http://oe.cd/idd>).

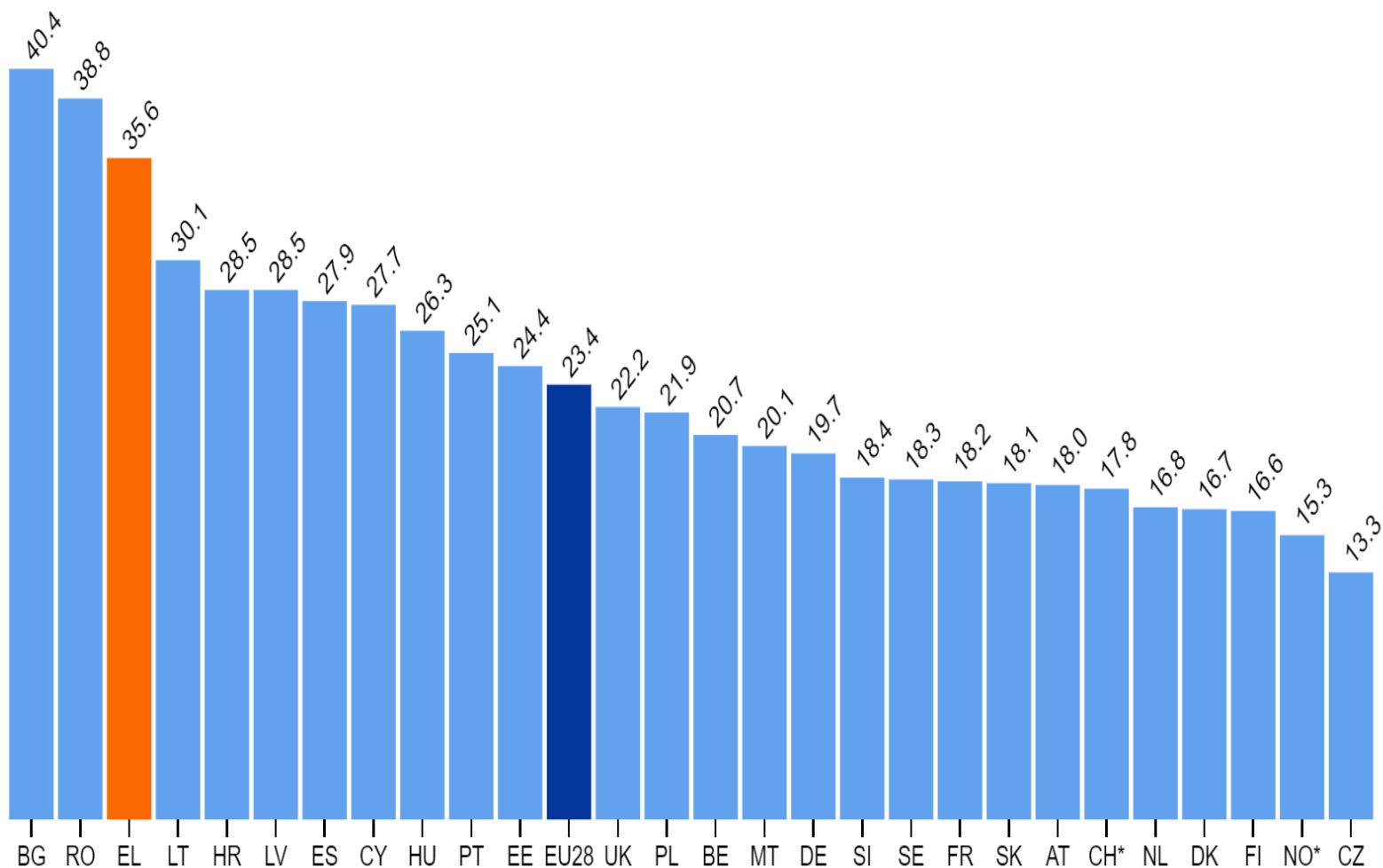


(*) Estimates.

(*) 2015: not available.

Figure 2: At-risk-of poverty rate anchored at a fixed moment in time (2008), 2014 and 2015 (%)

Share of the total population at risk of poverty or social exclusion by country, 2016 (in %)



Source: Eurostat, [EU-Statistics on Income and Living Conditions \(EU-SILC\)](#)

Data for the EU have been estimated; Croatia, Netherlands and Romania: provisional data.

EFTA countries (marked with *) do not contribute to EU average.

Poverty rates among the employed and the unemployed

By activity status¹



Employed
22.5%



Unemployed
70.1%

¹ Population 18 years or older

What to do?

What policies when the private sector cannot create jobs to hire people (severe recession) -

JOB GUARANTEE POLICY

Reduce unemployment and poverty by offering the unemployed a *Social Benefit Job*

KINOFELIS Ergasia (in Greek)

Main goals of Kinofelis: 2015 onwards

A JOB GUARANTEE (Kinofelis) is a public employment programme that begins with the recognition that when the private sector cannot provide sufficient demand for job creation there must be public sector intervention with the following main goals:

- To reconnect the long-term unemployed with the labor market at current level of skills: BACK TO WORK NOW!
- To integrate innovative elements of workplace training, acquisition of new skills and / or certification and recognition of existing skills Through this process, to re-position the unemployed closer to the labor market;
- To tackle poverty and social exclusion;
- To contribute to the creation of public goods and services at local level, with development impacts on local communities.

Features of Kinofelis

- **Since 2016, Kinofelis has included the following innovations aimed at supporting these goals:**
 - Target the most vulnerable categories of the Long Term Unemployed, without excluding those closer to the labor market; (months of unemployment, low income, single headed hh, unemployed hh- no adult in employment status, age)
 - The employment contract period is 8 months; decent work? pays minimum wage, full access to health benefits and maternity leave, contributions to retirement plan;
 - Counseling sessions conducted by the Greek PES (OAED), on entry and exit
 - Optional training in IT
 - Jobs yield a social or physical infrastructure benefit to the community (municipalities submit desirable projects)

Features of the project-based approach



- In response to an MOL call, municipalities identify and prioritise projects that create public goods and services
- Projects must not displace existing municipal work
- Projects are registered on-line on an MOL platform
- Municipalities identify the skills needs for these projects
- Recruitment against these skills needs is undertaken through PES (OAED), for people registered as unemployed, with a points-based targeting system
 - Creating transparency and limiting risks of clientalism.
- MOL pays the labour costs; municipalities must cover non-wage costs eg tools and materials.


Joint Ministerial
Decision

Ministry of Labour SSSS
issues a Technical Bulletin
setting out the terms of the
programme

Successful applicants have
session with OAED to update
profiles and then report to
municipalities - with relevant
papers – to be appointed.
Municipalities then report to
MOL on the programme and
claim wage costs.

EYE/ECT
ESF Implementation
Authority

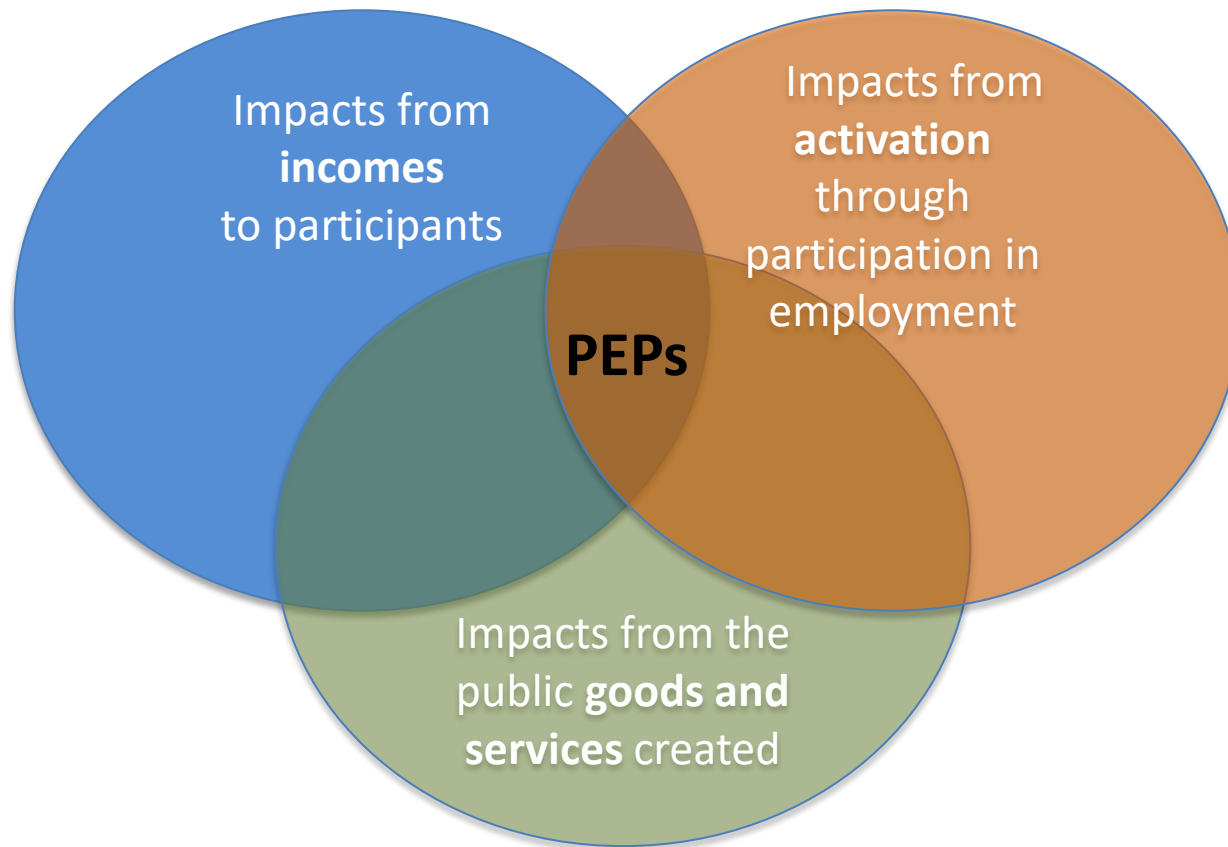
Calls on municipalities to
submit projects to use
their labour allocation


OAED (Greek PES) then issues
a call for applications for
these posts from the
registered unemployed and
selects them based on MOL's
points system

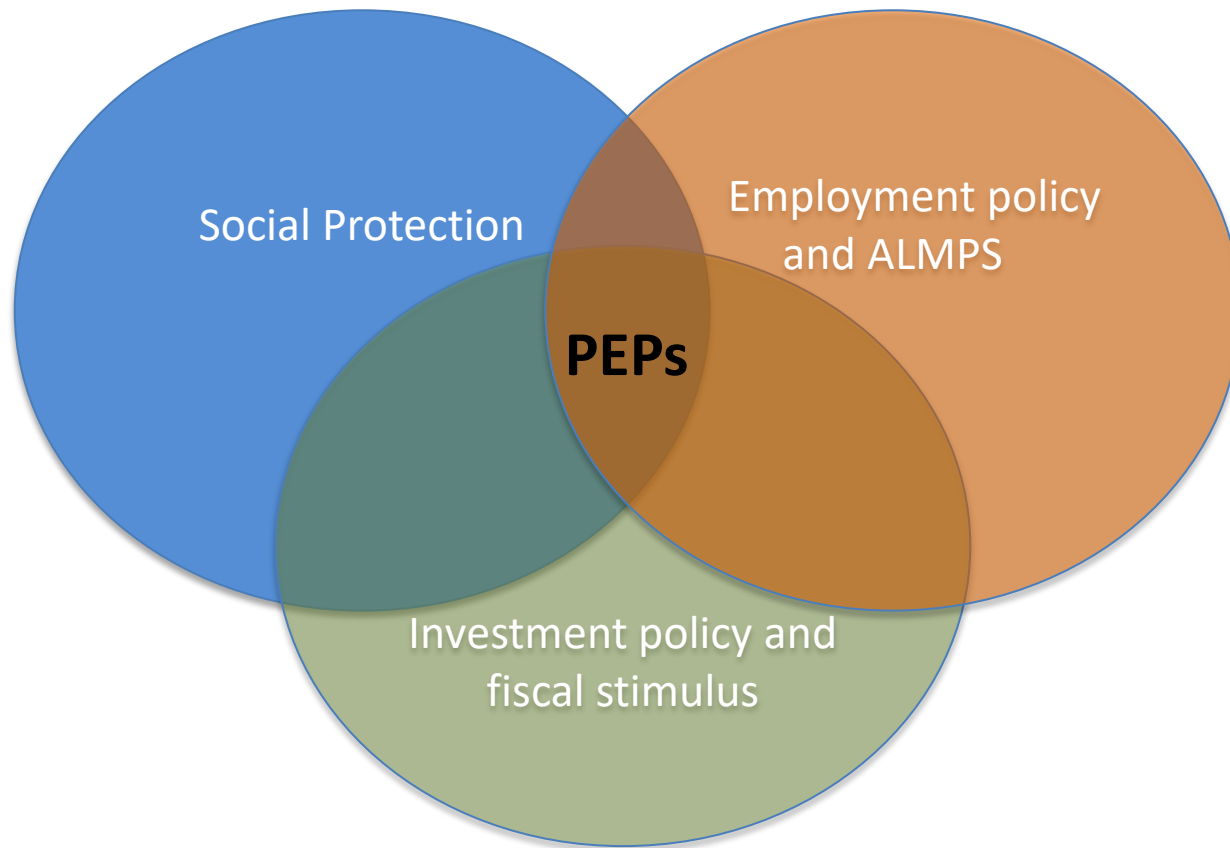
Municipalities register
projects on MOL site, with
skills needs specified in
terms of ASEP definitions
(ASEP = Skills authority)



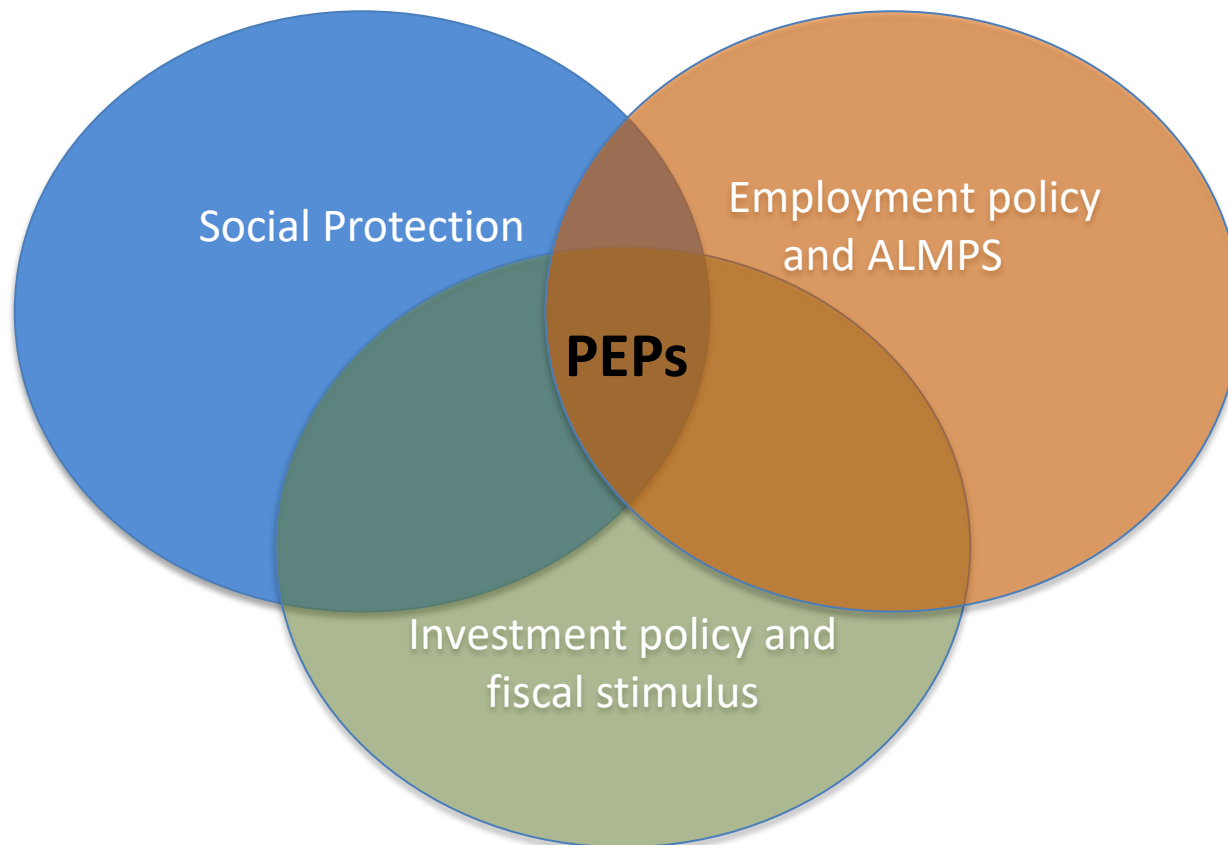
Public Employment Programmes (PEPs): a multi-dimensional development instrument



These in turn link with critical areas of policy



With lessons from Kinofelis highlighting the **interaction** between these roles



With each of these dimensions of Kinofelis
Impacting on long term unemployment in different ways:
on participants, on affected communities and on the wider economy.

Income levels p/a

■ Individual 0-3,500
€ or Family 0-
7,000 €

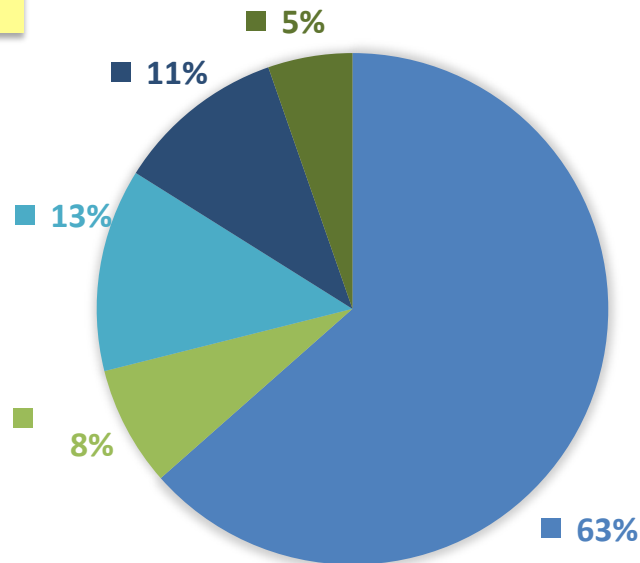
■ Individual 3501-
8.000 € or Family
7.001-10.000 €

■ Individual 5.001-
8.000 € or Family
10.001-16.000 €

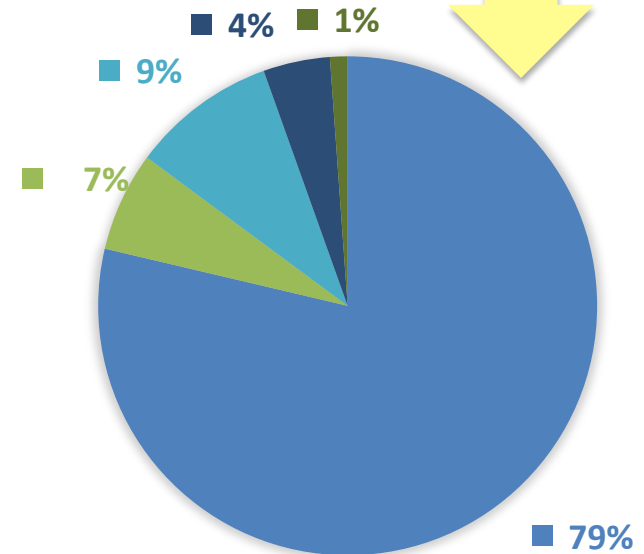
■ Individual 8,001-
12,000 € or Family
16,001-26,000 €

■ Individual 12.0001
€ or above or
Family 26.000 and
above

APPLICANTS



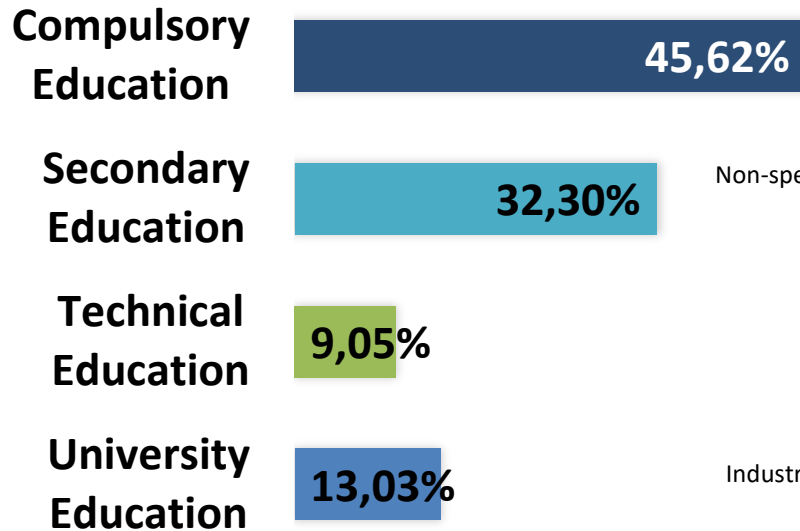
BENEFICIARIES



- Beneficiaries from higher income brackets often successful because of specific skills needs of projects
- The unemployment benefit system provides relatively low unemployment benefits, paid for a maximum of one year and leaving large segments of the unemployed unprotected.

Kinofelis is effectively targeting LTU and the poorest:
which are often linked categories.

Education and Experience Levels of beneficiaries



Data: Baseline survey and OAED



- In Greece, unemployment affects **all skills and experience levels**
- This has created a need – and an opportunity – to integrate more skilled work opportunities into the programme.
 - The skills mix enhances the quality and range of assets and services municipalities can deliver
 - **And creates scope for mentorship and on the job training for unskilled participants**

Both these participants used to run their own construction companies.

Such skills represent a significant resource for the Greek economy – currently under-utilised:

But activated through Kinofelis

In the absence of market-based opportunities.

This activation prevents/limits the erosion of work skills associated with LTU

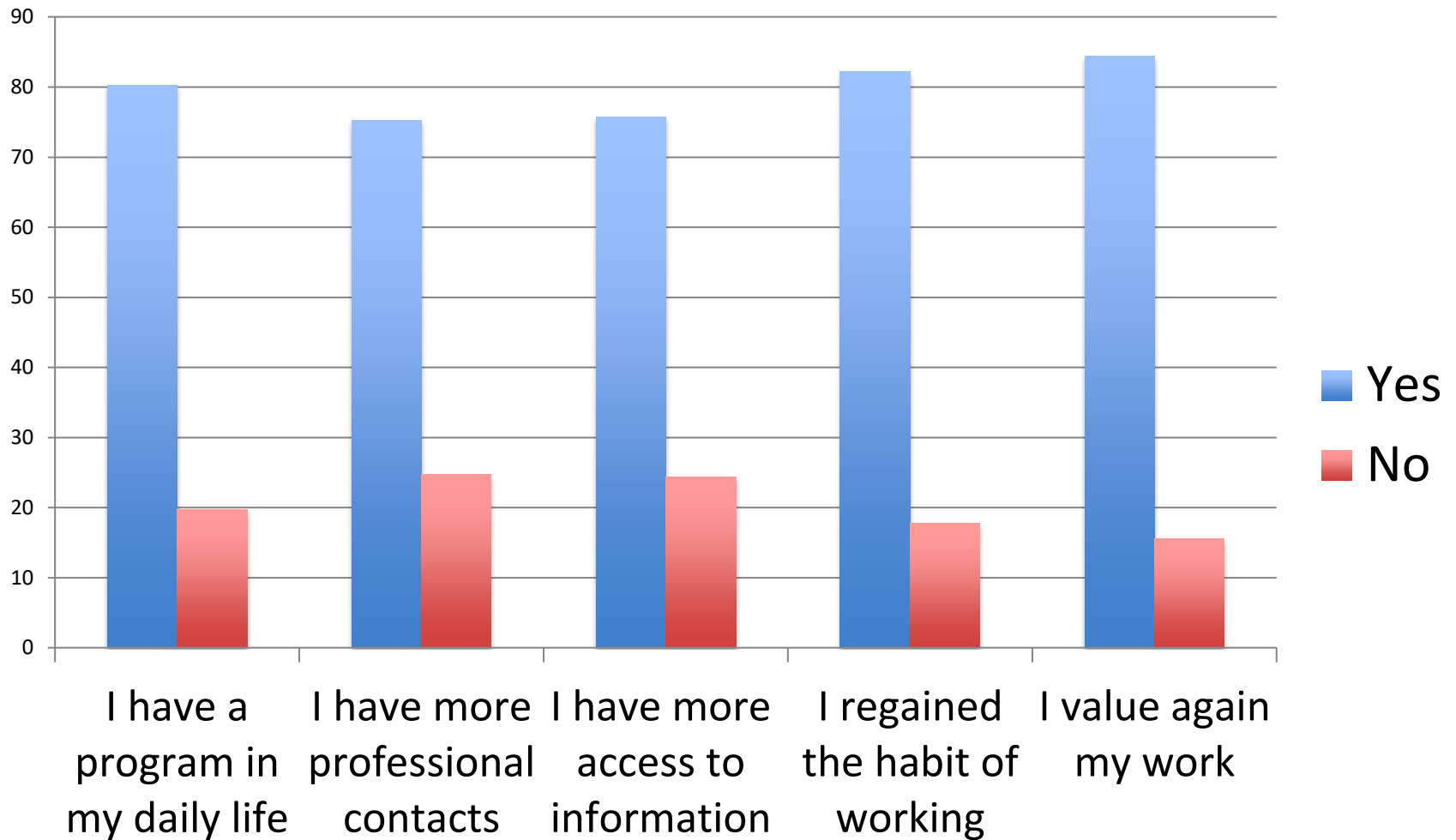
Keeping the Greek labour force 'work-ready' for the recovery



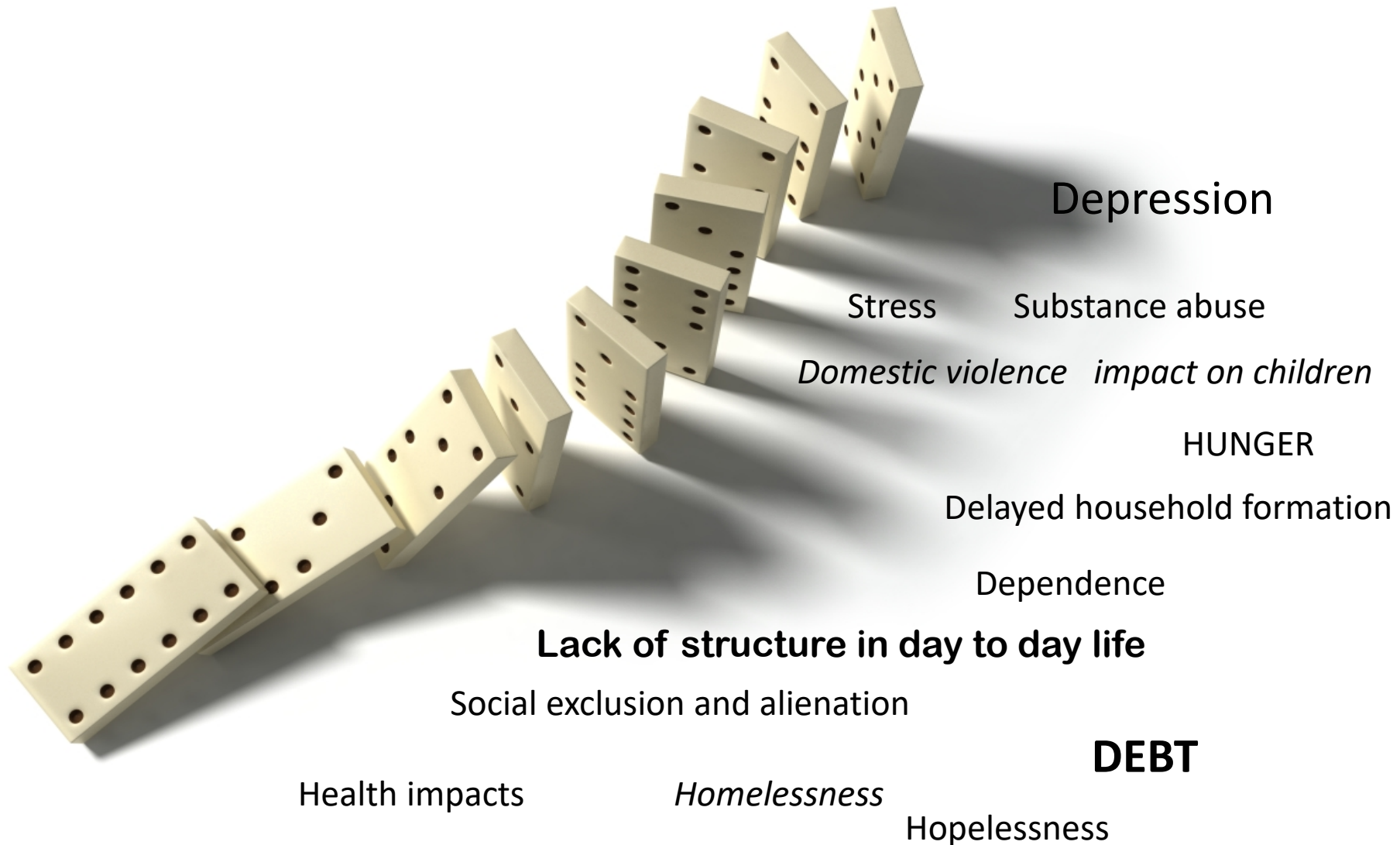
Through activation, Kinofelis limits the decline in productivity associated with LTU

Enabling a rapid labour market response to recovery


Participant reflections at time of exit



Data source: Exit survey



In addition to loss of the skills of work,
LTU has a wide range of negative social and psycho-social impacts



Fotis 52,
Unemployed
husband with 1
child.
Unemployed in
the construction
sector.


When the crisis began, we lost the earth under our feet. ..All of us who had been accustomed to working from morning till evening, we became idle, staying home doing nothing.

We cannot live without doing anything.

*We want to be active, we want a job. It's not just about the money. We are not lazy people; **we think we are alive, we want a programme for our future**, not just sitting around. In terms of psychology, if you don't have a job, where are you in life? And we are not lazy like foreigners say we are.*

Participant,
Aegialio municipality

I'm 47 years old and I was working in a department store. When it closed I was looking for a job. For **two years** I was very optimistic. I submitted CVs and waited....then I became disappointed..... **It is very important to work, to be paid, to survive with dignity; to feel that you are useful...**

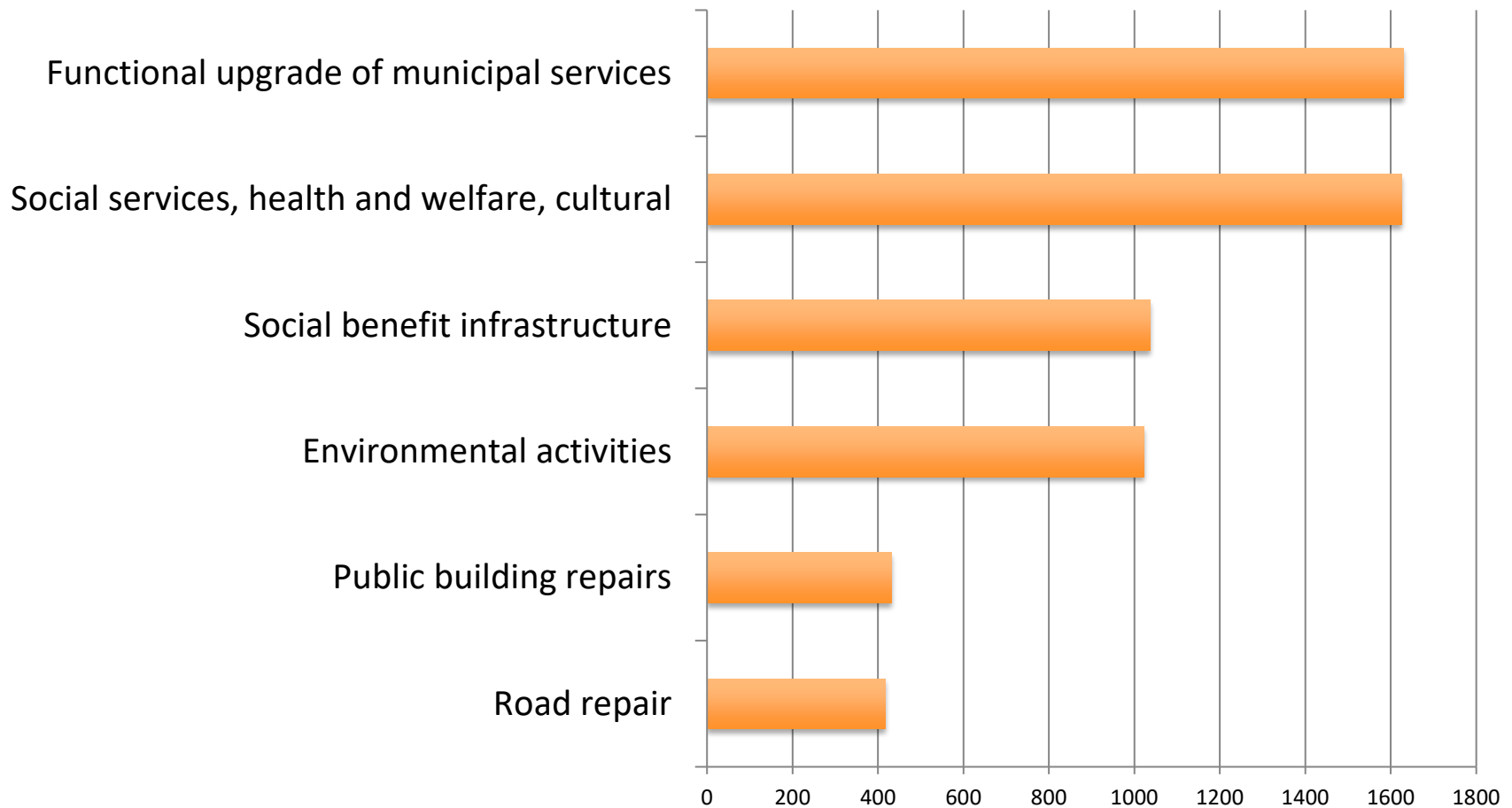


Matina 47,
Head of a single
parent family with
a child with
disabilities.

From focus discussion
groups

Employment is about more than the income....

Lessons from project selection



Project categories from all 325 municipalities

Innovation in project selection



- Municipalities have used Kinofelis to respond to local needs, to maintain public assets and to augment delivery of services
- Resource constraints – and response to local needs - means emergence of focus on social, health, culture and other services = high labour intensity



- Social kitchens
- Museum and mobile library services
- Collection of social histories
- Advisory services to parents by professionals eg psychologists
- Digitisation of public archives
- Care of children, elderly, people with disabilities.
- Upgrading of public spaces, parks
- Health interventions for stray animals.

The public goods and services can also support local economic development



- At scale, public employment can have indirect impacts on labour demand in the economy.
- But there are also direct ways projects support the local economy:
- Eg **Kinofelis** support to **tourism** includes the following:
 - Upgrading of public spaces
 - Maintenance of walking paths
 - Creating tourist information kiosks
 - Rehabilitation of heritage sites
 - Afforestation and natural resource management
- With career path linkages.
- Eg **Kinofelis** support to the **Green Economy**:
 - An opportunity in relation to climate adaptation and mitigation agendas.

Projects that address community needs enhance inclusion for participants

- When the work is valued by the community, it enhances the value of participation for participants also.
- Positive community feedback strengthens social inclusion effects: a target of the programme.
- Highlighting the importance of community consultation and involvement of local stakeholders in project identification: to strengthen this impact.

When we started to construct this pavement, residents of the apartment block came out onto their balconies to applaud us.



Evosmos, Thessaloniki

In conclusion Kinofelis : can promote employability and work-readiness in support of recovery

- Addressing impacts of LTU on participants:
 - Incomes
 - Capabilities, skills and disciplines of work
 - Access to information and networks
 - The psycho-social effects of LTU
- Addressing impacts of LTU on communities:
 - Communities affected by rise in substance abuse, anti-social behaviour, crime, poverty
 - Assets and services contribute to tackling these issues also.
- Addressing impacts of LTU on the wider economy.
 - Limits loss of productivity, maintains work readiness
 - Enables quicker recovery
 - Fiscal stimulus effects.

The Challenge and the Way Forward

A job guarantee policy: Moving from a 'special intervention' Status to a 'permanent policy' Response.

- **Is it feasible to establish such policy at EU level ?**
 - **Policy recognition among Member States**
 - **Endorsement by Citizens**
 - **Policy adoption by EU Parliament, European Semester, EU Council etc.**

Fiscal Space: Financing and Resource mobilization

Back to work now!

