The Social Protection of Unemployment in Greece: Optimal Active and Passive Policies in the European Area

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Abstract

The purpose of this research is to investigate whether the social protection system in Greece is able to meet the needs of a family with unemployed members and how the family is being reshaped in order to overcome the difficulties of unemployment acting as a safety net. The current study has been conducted with a view to determine the effectiveness of the social protection system in Greece. This study sketches the current situation of unemployment in Greece. The financial crisis has hit the Greek active labor population with high unemployment and the Greek family uses as a support mechanism the retention of young people who suffer from long-term unemployment and extensive job search for women when they cohabitate with discouraged males. In addition, social protection in Greece is not well equipped to face the current socio-economic crisis. So, the family in Greece is called to replenish the void left by social policy programs providing assistance to the unemployed and its dependent members.

As a result, it has been determined that the reconstruction of the social protection system is considered necessary taking into account the financial crisis, the demographic aging, the long-term unemployment, the household over-indebtedness and poverty. Priority groups should be the long-term unemployed in order to eliminate as much as possible the poverty and the unemployed young people with high qualifications in order to prevent migratory phenomena. Also, active inclusion programs should not be limited to the economic stimulation of the unemployed but should aim to the reintegration into the labor market and social action with training programs.

Key words: Unemployment, Greece, family, social protection system, benefit, poverty.

Introduction

The system of social protection is shaped by the need to meet the needs of individual's living, but also for the holistic composition and development of his personality. The primary objective is to ensure employment and income generation and secondarily in the event of unemployment or insufficient pecuniary income the provision of income but also health protection (Soulis, 2015). The redistributive programs are shaped by the perceptions of states on the relations between society and citizens (Chletsos, 2013). In case of loss of work, illness, additional family expenses, the redistributive justice will bring protection to vulnerable groups in order to create social cohesion and thus social prosperity (Soulis, 2015).

Social protection in the Greek and European area

Since the beginning of 2000, at European level, social policy designers have implemented active...
inclusion policies for vulnerable populations in order to reduce poverty rates. In the context of the program «European Strategy for Social Inclusion» preventive actions for exclusion and operational mechanisms are being developed as tools to complement and strengthen member states (Amitsis, 2014).

The modern retrospection of a fair social security system owes to aim twofold. In principle, it must fulfill the «minor minimalist objectives», the survival rights, i.e. the protection of the ability to work through the health system and the possibility of employment and income generation through vocational education and collective agreements (Soulis, 2015).

The protection of the right to work is enshrined in the Constitution of Greece, Article 2: «"Work constitutes a right and is protected by the state, which seeks to create working conditions for all citizens and for the moral and material exaltation of the working peasant and urban population"» and the European Social Charter, Article 1: «Effectively protect the right of the worker to gain a life of work that he freely undertakes». Also, it is of the utmost necessity to fulfill the «major maximalist objectives» that determine the personality development, improve the quality of life and create a holistic well-being, physical and psychosocial (Soulis, 2015).

In Greece the insurmountable structural weaknesses, led to an unprecedented economic crisis that adversely affects with high unemployment the Greek active labor population, which is threatened by high risk of poverty and social exclusion. The low level standards of living and precariously for the future are factors that trigger disorder of physical and mental health (Philipas, 2014).

At an EU level, the economic crisis was associated with increased mental health problems while the results of studies have shown an increase in suicide rates and that trends in self-rated health in Greece worsened (Kourakos et al. 2018). Due to the measures taken in order to achieve the reduction of public expenditure, which are in line with fiscal adjustment policies, the state may not meet the needs of social protection, on which a large proportion of the unemployed population is based (Kavounidi, 2014).

The likelihood of poverty is significantly associated with unemployment. The social safety net that is absent as a precaution measure and the increasing flow of active population into unemployment will bring whole families to poverty (Mitrakos, 2014). The conclusion is that rising unemployment causes an equal proportional rise in poverty. However, in fact, the condition of unemployment which leads to poverty also requires the involvement of other actors such as: if there are other members who work in the same household, if there are parallel income (rents, farming, free profession, undeclared work) (Matsagganis, 2014).

The economy of southern European countries is based on the bulk of the workforce in small and medium-sized enterprises, in agriculture and in the informal economy. Social protection is a combination of fragmentation in its application with emphasis on healthcare and throws the responsibility of supportive network to family (Papathedorou & Petmesidou, 2006).

In Greece, a residual model of social protection is applied that disadvantage due to the institutional and operational inefficiency of its mechanism and by the lack of funding for active inclusion policies (Amitsis, 2014), i.e. it fails to manage crisis and emergency situations as it draws up costly measures inversely proportional to their effectiveness (Chletsos, 2013).

Social protection in Greece can be described as fragmented and with uncoordinated actions. The country is not well equipped to resist the current socio-economic crisis. The Greek model is based on the strong role of benefits in social insurance (pensions and health) and the solidarity shown by the family base (WorldBank, 2014). It is necessary to reform the national residual social protection model taking into account the financial crisis, the demographic aging, the long-term unemployment, the household over-indebtedness and poverty (Amitsis, 2014).

The family as a substitute for the welfare state

Social protection is defined by the "hybrid social state" that acts twofold either as a formal one, the formal expression of social protection or as an informal one, manifested through the family and informal networks. The partnership of both has effective action in managing socio-economic crises, in order to shrink the risks and to diminish
their impact. The family in Greece traditionally replenishes the void left by social policy programs (Lyberaki & Tenios, 2014). The Greek society considers that family is responsible for providing assistance to the unemployed and its dependent members. In addition, the social assistance in case of financing unemployment, loss of income, childbirth, and illness is taken over by the family (Karamessini, 2015, Lyberaki & Tenios, 2014). In Greece, the welfare state has failed to meet social needs of citizens (Lyberaki & Tenios, 2012).

The financial crisis has led the model of unemployment to a peculiar mutation. The traditional family pattern that defined the husband as the 'provider' has been overturned as unemployment in the 30-44 age group in the male population has overturned this established image (Mitrakos, 2014).

The history of the Greek family

Until, the advent of globalization the two genders in the Greek family have distinct roles: the man is the employed who supports financially with his income and the woman takes care of the members. The woman not only takes care of members, but also takes on the role of the unpaid assistant in family businesses or in agricultural activities. Also, financial supporting role plays the existence of privately-owned dwellings (Lyberaki & Tenios, 2014).

With the advent of globalization and the rise in the competitiveness of the markets, we witness a great entry of women into work. With the establishment of the financial crisis the needs that family is called to meet increase as the welfare state cannot meet the demands of the times. At the same time, taxation, rise in unemployment, wage and pension cuts reduce family income but also the «social wage». In the first years of the economic recession, a catalytic economic role is played by savings accumulated in the years before the crisis. (Lyberaki & Tenios, 2014).

In case of widespread unemployment, two conditions may occur: either the discouraged worker's syndrome or the search intensity phenomenon in order to stimulate family revenue. Men seem to be the disheartened ones, while women increase their efforts to find work.

This treaty is a balancing process that changes roles in the family by redistributing obligations. The second support mechanism is to keep young people in the family home in order to reduce the costs of young people who are heavily affected by long-term unemployment (Lyberaki & Tenios, 2014).

Civil society and informal social networks of social protection

Among the family and the state, civil Society and informal social networks, placed in the sphere of private law, are characterized by actions that are governed by the philosophy of volunteering and non-profit. Depending on the composition, the purpose and the origin, informal networks are categorized as follows (Synodic Committee of Social Welfare and Welfare, 2011):

- Voluntary organizations or groups
- Self-help groups, organizations
- International organizations – service networks
- Non-governmental organizations
- Religious societies, ecclesiastical institutes, Orthodox Church and other religions
- Volunteer associations under the aegis of local government
- Private Corporate Social Responsibility

In Greece from 2004 to 2011, i.e. before and after the onset of the financial crisis, concluded that the percentage of the population participated actively in voluntary organizations decreased from 22% to 14%. These figures refer to organized volunteering, through unions, foundations and non-profit companies (Bourikos, 2013).

Five years after the onset of the economic crisis, the Greek welfare state gives the image that it has been replaced by social solidarity, such as self-help groups that have acted in actions of exchanges of goods and services, health and pharmaceutical care provision, education provision and the provision of food and basic necessities (Sotiropoulos & Bourikos, 2014). Volunteering has increased in Civil Society but in some cases it has turned it into the last resort as a shelter (Simiti, 2016).

Welfare volunteerism is defined as a work in which work is produced without remuneration, money or other compensation, it is non-compulsory, it is for the benefit of other individuals or organizations rather than the
family or in favor of only one family (ILO, 2011). They are informal associations of people who provide alternative services, respond directly to the local level, e.g. neighborhood, maintain a radical attitude towards social problems and refuse bureaucracy (Bourikos, 2013). Social solidarity initiatives are (Sotiropoulos, 2013, Clake, Huliaras & Sotiropoulos, 2016):

- Food distribution from professional associations and privacy protection of recipients
- Shifting the distribution of food from soup kitchens to social groceries
- Trade of lower-cost products without intermediaries
- Spare bargains of goods, exchange of goods and services over the Internet
- Social clinics and pharmacies.
- Self-help groups, self-managed spaces

With a survey conducted in social and municipal clinics and pharmacies in order to investigate the satisfaction of servants, it concludes that there was a maximum degree of satisfaction for recipients, and through volunteering, the ideal human-centered concern of medical science was emerged and considered holistic, as there was also psychosocial support (Goula et al. 2017).

Crisis periods can cause problems in their actions, but they can offer opportunities to address problems that cannot be solved by formal actors of social protection, playing the role of mediator between state and citizens (Shahin, Woodward & Terzis, 2012). Volunteering strengthens social cohesion, which brings security and solidarity to society. Volunteering is a form of political action (European Commission, 2010).

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Due to the prolonged and severe economic crisis, demand for social protection has increased and supply has failed to meet the needs (Matsagganis, 2013). The economic crisis has also hit the middle classes of society that have long been the feeder of social protection policies through income taxes and insurance contributions (Amitsis, 2014).

Poverty indicators relating to the unemployed are much higher than the rest of the population. The social protection system has been unable to respond to the outbreak of unemployment with universality and efficiency, since the data for 2012 show that only 1 out of 6 unemployed received unemployment benefits leading a large number of families to poverty (Matsagganis, Leventis & Kanavitsas, 2012). The granting of unemployment benefits should be extended taking into account income criteria and the welfare benefits should be linked to the obligation for availability at work (OECD, 2013).

In our country, social policy allocates the available resources with political expediency rather than the duty to fulfill social protection (Matsagganis, 2014). Social protection expenditure after 2000, even though occupying a large percentage of GDP, could not be effectively allocated. The demands of the trade unions, the uncontrolled non-contributory pensions (pension at an early age with a small number of working years, retirement of civil servants and military at a young age, early voluntary retirement), and the payment of large sums of money for health-costs as the result of the factitious demand of the biomedical and pharmaceutical industries, have led to the rise in expenditure on targeted services but also to the poor implementation of redistributive justice and therefore the inability to reduce the poverty rate (Soulis, 2015). In the European Union, poverty after social transfers decreases by 10%, in Greece the decrease is only around 4% (Matsagganis, 2013b).

Unemployment insurance benefits are paid for a specified period of time to unemployed people who have insurance contributions. In Greece, OAED provides regular unemployment benefits to employees who lost their jobs and have accumulated the required number of days of insurance excluded the long-term unemployed and new entrants to the labor market (Matsagganis, 2013b).

Unskilled young people seeking employment for the first time tend to experience the long-term repercussions from the early stages of unemployment and usually have a more vulnerable position on the labor market (Scarpetta, Sonnet & Manfredi, 2010). Also, in most countries it is a fact that young people with low qualifications have a particularly high risk of exclusion and lack of access to employment. Unemployment rates of highly skilled young
people tend to be lower compared to the low-skilled while average employment rates seem to be higher (Bell & Blanchflower, 2011b, OECD & OIC, 2011, Quintini, Martin & Martin, 2007, Gomez-Salvador & Leiner-Killinger, 2008).

Unemployment benefits are low compared to international data. In Greece, unemployed people receiving income support are not required to develop their professional skills or to contribute with social work in return for the provision of income support. They also receive low-intensity consultancy services and insufficient educational training (OECD, 2013).

In other European countries, when subsidized unemployed people show prolonged selectivity for the proposed jobs, they are penalized with reduction or even cessation of payment of the allowance (Arni, Lalive & Van Ours, 2009). What matters is the immediate financial protection of the excluded from the labor market and the poor workers. Active inclusion policies refer to people available to return to the labor market either through vocational training, or as a job or even as a social occupation. Passive action should be directed at people that cannot work, such as children, the elderly and people with disabilities (Zografakis, 2013).

An effective measure for addressing extreme poverty and social exclusion is the application of minimum guaranteed income. According to best practices in European countries, the measures should not be limited to the economic stimulation of the unemployed, but should aim to the reintegration into the labor market and social action through a personalized program (Matsagganis, 2013). The most appropriate application is that the minimum guaranteed income should be a percentage of the minimum wage so as to cover the minor living needs on the one hand and on the other hand not to contribute as a deterrent to the effort to find a job (Kaminioti & Baskozou, 2013).

The report of the Governor of the Bank of Greece for 2016 mentions that social transfers aimed at mitigating economic poverty by taking measures such as the implementation of Social Income Solidarity and the protection of the unemployed (Stournaras, 2017). In addition, there is evidence that high minimum wages adversely affect new entrants in the labor market, so young workers are often paid with a special lower minimum wage (Neumark & Wascher, 2007, Abowd et al., 2000, Gomez-Salvador & Leiner-Killinger, 2008). A common database should be created as seventy-eight different government bodies grant bonuses, so that when the Minimum Guaranteed Income is applied, it will be possible the immediately tracking of a parallel payment of another relative allowance (Gavroglou & Papadopoulou, 2013). Possible risks from the implementation of the measure are the possibility of transforming it as a disincentive for finding work, the reduction of the minimum wage and the encouraging of undeclared work (Paidoussis & Harisis, 2013).

The income to be granted should not be the result of a percentage of the minimum wage but it should be delimited according to the family's "needs for subsistence and social participation" (Bilba, 2013). At the same time, there should be universal access to services that function as an aid to economic and social cohesion (health care units, pharmaceutical care, biomedical technology, preschool, basic and continuing education) in order, not only to prevent conditions of increased morbidity and illiteracy, but also to be a plan for the reintegration into the labor market (Bibas, 2013, Mitrakos, 2013, Ioannidou, 2013, Karabetsou, 2013, Paidousis & Harisis, 2013).

In a survey conducted from 2006 to 2011 by the German Labor Institute to investigate the effect of the unemployment benefit on the relationship between subjective health and unemployment, the result was that unemployment was negatively associated with subjective health (Eggs, 2013). Young people's insecurity in employment and income not only hinders access to credit and private independence and prevents long-term commitments such as family formation, may also lead to subjective insecurity (Chung et al. 2012). Social protection systems for unemployment must provide support through a minimum guaranteed income in order to eradicate poverty and thus contribute to structural changes in the economy. Unemployment benefits should be combined with guarantee returning schemes to work, professional skills development and supportive entrepreneurship planning (ILO, 2017). With the implementation of the minimum guaranteed income, Greece will be able to reduce both the poverty rate and the gap with the
European standard for integration policies (World Bank, 2014). Unemployment benefits do not increase unemployment nor extend its duration as long as they are linked to programs for activating the unemployed and reintegrating them into the labor market (European Commission, 2012). Special programs should prevent voluntary unemployment, the risk of dependency on benefits that establishes the long-term unemployment and the state of inactivity (Stovicek & Turnini, 2012). The measures to be taken will be part of passive and active inclusion, the first of which concern the payment of cash benefits, the latter aim at the reintegration into the labor market but also in the prevention of unemployment and the achievement of shorter periods of unemployment (EUROSTAT, 2016).

The modernization of social security systems should aim at a rapid return to the labor market by ensuring income support for the unemployment period in order to reduce poverty and improve the psychosocial health of the unemployed (O’Campo et al, 2015). In a survey that investigated systematically for 24 weeks the emotional well-being of 6,025 unemployed people, as an important result was the mention of the unemployed that they felt especially sad during the job search and the regret was extending as long as unemployment was prolonged (Krueger & Mueller, 2011).

The main axes to which a uniform universal protection will be designed and an active shift of supporting benefits will be created are: a) a welfare allowance that ensures an adequate standard of living; b) easy access to health and social care; c) reintegration of educational empowered unemployed in the labor market (Amitsis, 2013).

**Prevent from stigmatization**

If the minimum guaranteed income considered as a right of the individual, stigmatization of vulnerable populations will be lifted and social exclusion will be reduced (Kaminiotis & Basskozou, 2013). The communication policy that will promote welfare benefits should ensure the recipient’s dignity and lift the social sense that he is responsible for the poverty situation he is experiencing (Hadjivarnavas, 2013).

The doubt about where is disposed the granted income, will be shrunk, as it happens with the unemployment benefit, in the case of people dependent on alcohol or drugs (Gavroglou & Papadopoulou, 2013).

**Conclusions**

The reconstruction of the social protection system is considered necessary in order to gain efficiency and universality. Coordination of operational programs and proper allocation of social protection expenditure will enhance the social transfers aimed at combating poverty and social exclusion, in order to create social cohesion and to establish a healthy human capital to support the sustainable development of the country.

Subsequently, the institutional problems that the financial crisis and fiscal adjustment have brought to the Greek labor market and affected negatively the employees, leading a number of them to precarious work, unemployment, poverty, have to be addressed. The abolition of collective agreements, the cessation of minimum wage delimitation, the facilitation of employers in massive redundancies and the increasingly growing phenomenon of flexible work should be renegotiated in order to protect employment by creating a high and stable level of employment in order to achieve full employment with an equitable remuneration.

The increase in funding of OAED and its operational restructuring plan will lead to the creation of active inclusion programs and will allow to link existing and future market needs with the training programs of the unemployed, in order to be accomplished immediate absorption of the empowered and modernly trained available labor force.

Priority groups should be the long-term unemployed in order to eliminate as much as possible the poverty and the unemployed young people with high qualifications in order to prevent migratory phenomena and to retain this remarkable human capital in the country in order to support the socioeconomic development in the coming decades. By implementing the best practices of countries in the European Union, such as minimum guaranteed income, access to health services, social care and education, as well as integration of the unemployed into the labor market with parallel actions of psychological support, will be achieved reduction of the
unemployment, reduction of poverty, increase of social cohesion and prosperity.

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