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Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes

Country Fiche - Greece

Written by Manos Matsaganis and Eleni Kanavitsa

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Contact: [First name Last name]

E-mail: […]@ec.europa.eu (functional e-mail if existing, or Firstname.Lastname)

European Commission

B-1049 Brussels

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Directorate-General for Employment, Social Affairs and Inclusion

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Summary

Guaranteed Minimum Income (GMI) is a relatively recent addition to the Greek welfare state's anti-poverty armour.

The programme provides much-needed income support to nearly 4% of the population. Recipients are overwhelmingly located in the lowest decile of the income distribution. Vertical targeting efficiency is good (only one-fifth of all recipients were above the poverty threshold of 40% of median equivalent household disposable income in 2018), but horizontal targeting efficiency is low (two-thirds of all households below the poverty threshold of 40% of median equivalent household disposable income failed to claim the GMI). Stringent income, asset and residence eligibility conditions, possibly compounded by non-take up, limit the effectiveness of the GMI as an anti-poverty device.

From an administrative point of view, the programme is run smoothly. A well-designed information system, effective leadership at the Directorate for the Fight Against Poverty (Ministry of Labour and Social Affairs), and the commitment of staff at municipalities and community centres ensure the efficient, streamlined day-to-day operation of the programme. Nevertheless, the interoperability of the GMI information system with the platforms used for other benefits, services and goods remains poor, while the unit managing the GMI information system has been reduced and is now seriously under-staffed.

For the first few years following its introduction in February 2017, the GMI was primarily concerned with income support (Pillar 1). Pillar 2 (supplementary social services) and Pillar 3 (labour market activation) were slow to develop but gathered pace after June 2021. Employment and social reintegration prospects depend partly on the successful development of Pillars 2 and 3, but also on the recovery of the economy from the COVID-19 lockdowns and the deep recession of the 2010s.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment; fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

1 Description of national schemes providing minimum income support

For many years, Greece was one of very few EU Member States without a comprehensive social assistance scheme providing income support of last resort to individuals and families (Lalioti, 2016; Matsaganis, 2018 and 2020; Lalioti and Koutsampelas, 2021). This has changed in recent years. Firstly, a Guaranteed Minimum Income (GMI) scheme was piloted under the name of Guaranteed Social Income for six months (November 2014 – May 2015) in 13 municipalities. That was followed by a slightly different scheme, Social Solidarity Income, which was initially launched in 30 municipalities (July 2016 – January 2017) and then subsequently rolled out nationwide from February 2017. In September 2019, it was renamed the GMI.

The programme supports the incomes of vulnerable individuals and households by providing cash assistance equal to the difference between a beneficiary's assessed income and the guaranteed level. In addition to income support, the GMI has two other pillars: Pillar 2 aims to connect beneficiaries with other social programmes and services available at national and local level, while Pillar 3 aims to (re)integrate beneficiaries into the labour market.

Beneficiary units can be single adults living alone (except students – see below) or multi-person households consisting of individuals living under the same roof, including adult children up to the age of 25 if in tertiary education regardless of their place of residence. The homeless are also eligible, provided they are registered with municipal social services[1]. Individuals in residential care, assisted living, transitional housing, rehabilitation, monasteries, and prisons cannot apply for the programme.

The guaranteed level of income depends on a household's size and composition: it is EUR 200 per month for the household head, EUR 100 for each additional adult, and EUR 50 for each child. In single-parent households, the first child counts as an adult, thus the guaranteed amount for a mother with two minor children is EUR 350 per month. A ceiling of EUR 900 per month is set as the maximum payable, irrespective of household composition.

Those applying for the programme can do so in person, at a municipal or community centre, or online[2]. Homeless people, households with guests[3], single-parent families, and those with unprotected children can only apply in person at a municipal or community centre, with their supporting documentation.

Applicants (or a municipal or community centre employee on an applicant's behalf) enter their credentials, using their social security number and tax identification number. The GMI information system then automatically pre-fills part of the GMI application form with information from their latest tax return on the tax authority database (*taxisnet*). Furthermore, the IT platform cross-links electronically in "real time" information from several state databases.

Other information that is not available from the above databases ~~tax returns~~ (e.g. education level) must be filled in by the applicant.

If all pre-filled information is up to date and consistent with official databases, then the applicant can submit the application form and automatically see the outcome (approved/rejected). If there are inconsistencies, a notification appears, highlighting 'missing' or 'incorrect' information, and asking the applicant to visit a municipal office or community centre[4]. These notifications are based on programme rules described in the Joint Ministerial Decree.

Once an application is submitted, the applicant is informed of whether or not it is accepted. If it is accepted, the GMI benefit amount to be awarded is also notified. The first payment takes place one month after the application. After a six-month period, beneficiaries must reapply and be reassessed.

Beneficiaries are obliged to:

- File an annual tax return;

[1] In September 2021, 3.5% of all beneficiary units were homeless.

[2] https://keaprogram.gr/pubnr/Account/Login

[3] 'Guests' are persons living in the household who are not classified as dependants for tax purposes. For instance, an adult (over the age of 25) non-disabled child who still lives in the parental home is no longer a dependant and is classified as a 'guest'.

[4] For example: 'you are a single-parent family, so you must submit your application through the municipal office', or 'you are a guest in the household, thus your application will not be approved', or 'you have not filled in your IBAN', etc.

- Consent to a 'social investigation' (a home visit by municipality/community centre officials for on-site verification of the household's composition and living conditions);
- Ensure that all children in the household go to school, up to the compulsory education level (normally age 15);
- Participate in the primary school diploma examinations, or enrol in a second chance school (on invitation - if aged 18-45 years and not in possession of a compulsory education certificate);
- Attend for psychosocial support or professional counselling (on invitation);
- Register with the Public Employment Service (PES), renew their unemployment status, attend job counselling, participate in training and other activation programmes (e.g. entrepreneurship support), and accept suitable job offers (if able to work[5]);
- Not quit their job without justification;
- Inform the authorities of all changes in their employment status or earnings, and declare that information in the following year's tax return.

The GMI payment is automatically suspended if electronic cross-checks reveal discrepancies. Beneficiaries are notified by email or text message, and given two months to provide additional documentation. Payment is also suspended if children in the household are not enrolled or are absent from school without justification. The household may reapply for GMI after a period of six months, subject to the child's enrolment in school in the new school year.

1.1 Eligibility

The Joint Ministerial Decree of January 2017 (revised in June 2018 and again in July 2021) sets out eligibility criteria for the GMI:

1. Income

Definition: household net disposable income, assessed on the basis of the previous year's tax return. (Claimants are required to disclose changes in their circumstances in the intervening period.)

Income ceilings: Household net disposable income, assessed over a period of

six months prior to the application, may not exceed the guaranteed amount for that type of household (for example, EUR 200 per month for a single-person household or EUR 400 per month for a couple with two children). An overall ceiling of EUR 900 per month applies, regardless of the number of household members.

Income excluded:

a) 20% of labour earnings (including in the context of public work schemes);
b) disability benefits;
c) daily allowances to unemployed workers in vocational training;
d) financial aid to victims of natural disasters;
e) total earnings of victims of domestic violence or homeless persons for two years after their reintegration to the labour market.

2. Assets

Definition: Household assets are assessed on the basis of the previous year's tax return. (Claimants are required to disclose changes in their circumstances in the intervening period.)

Real estate: The total taxable value of the household's housing wealth may not exceed EUR 90 000 for a single-person household, increased by EUR 15 000 for each additional household member, subject to an overall ceiling of EUR 150 000.

[5] Ability to work is defined as age 18-65, excluding students and people with disabilities.

Capital income: The total income earned by household members on bank deposits in Greece or abroad may not exceed the relevant threshold (EUR 4 800 for a single-person household, increased by EUR 2 400 for each additional adult and by EUR 1 200 for each child, up to an overall ceiling of EUR 14 400), multiplied by a notional interest rate set by the Bank of Greece.

Passenger cars: The imputed annual taxable income[6] corresponding to passenger cars owned by the household may not exceed EUR 6 000.

Luxury tax: Households paying the luxury tax, or paying tuition fees to private schools, wages to car drivers, yacht crew members, private tutors, and other domestic personnel, are ineligible for the GMI.

3. Residence: Eligible households must be legally and permanently domiciled in Greece. Temporary residents are not eligible, thereby excluding asylum seekers and ~~refugees~~ immigrants not granted permission to stay permanently. Foreign nationals who meet all other conditions may be immediately eligible for the GMI on obtaining legal and permanent residence[7]. Approximately one-sixth of all GMI recipients are not Greek citizens.

1.2 Coverage

According to the latest official data, there were 231 395 household GMI recipients in September 2021, covering 426 637 individuals (approximately 3.9% of the population in 2020). The average size of beneficiary units was low, at 1.84 people. Over half of all beneficiary units (55%) were single-person households, followed by two-person households (22%). Only 3% of all beneficiaries had 5+ household members. Families with children accounted for 23% of GMI beneficiaries, one-third (8%) of which were single-parent households. Approximately 73% of all beneficiaries were of working age (16-64).

Table 1 shows the decline in the absolute number of GMI recipients since the programme's introduction in February 2017. That decline corresponded to 19% in household terms, and as much as 39% in individual terms. The average size of beneficiary units fell accordingly, from 2.46 in 2017 to 1.84 in 2021.

The decrease in GMI recipient numbers can be somewhat attributed to the general improvement in economic outlook, which has led to a significant decrease in the population living in poverty. However, the former fell faster than the latter. As a result, the share of GMI recipients of the population living in poverty declined from 71% to 54% (40% of median equivalent household disposable income), or from 32% to 22% (60% of median equivalent household disposable income).

Table 1. GMI recipients, total population, and population living in poverty (2017-2021)

	2017	2018	2019	2020	2021
GMI recipients					

[6] The formula applied by the tax authorities for the calculation of the (presumptive) imputed annual taxable income corresponding to a passenger car is a function of engine size (in cm^3) and age. For example, the EUR 6 000 ceiling applies to a relatively new car (<5 years) equipped with a 1 533 cm^3 engine, or to an older car (5-10 years) equipped with a 1 962 cm^3 engine.

[7] This contrasts sharply with the residence requirement for access to child benefit and housing benefit, which exclude non-EU nationals until they have been legally and permanently domiciled for five years (prior to 2020), and now for 12 years, under the provisions of Law 4659/2020. Technically. GMI applicants must present an income tax return, which implies that they must have obtained legal residence at least one year prior to applying for GMI.

Households	284 294	292 205	237 219	220 060	231 395
Individuals	698 805	580 472	437 374	406 515	426 637
Average size of beneficiary unit	2.46	1.99	1.84	1.85	1.84
Population					
Total	10 768 193	10 741 165	10 724 599	10 718 565	
Below 40%	984 000	853 000	790 000	753 000	
Below 60%	2 151 000	1 954 000	1 882 000	1 862 000	
GMI recipients as a share of population					
Total	6.5%	5.4%	4.1%	3.8%	
Below 40%	71%	68%	55%	54%	
Below 60%	32%	30%	23%	22%	

Sources: Ministry of Labour and Social Affairs, Monitoring Reports (GMI recipients), ElStat (population), Eurostat (population below poverty threshold). Data on GMI recipients for October 2017, December 2018, May 2019, March 2020, and September 2021.

To date, the only study of coverage and take up of the GMI was carried out by the World Bank in 2018 (Marini et al., 2019), That impact evaluation report set the poverty threshold at 40% of median equivalent household disposable income and estimated that the GMI programme had a vertical targeting efficiency rate of about 80% (i.e. only 20.4% of recipients were located above the 40% poverty threshold), and a horizontal targeting efficiency rate of 34.0% (i.e. as many as two-thirds of the population below the 40% poverty threshold were not in receipt of the GMI). Setting the poverty threshold at 60% of the median implied a vertical targeting efficiency rate of over 93% (only 6.9% of recipients were located above that threshold), and a horizontal targeting efficiency rate of 10.2% (i.e. the GMI failed to reach nine-tenths of the population below the 60% poverty threshold).

Low coverage may be the result of three factors.

1. Stringent income and asset criteria. Budgetary constraints and the need to preserve work incentives have led the government to set the income threshold (and the MI guarantee) at a rather low level: EUR 200 per month for a single person and EUR 400 per month for a couple with two children correspond to 27% and 26% of median household disposable income for these two household types, respectively. In a country with high rates of owner-occupation, and notwithstanding the decline in house prices in the early 2010s, the thresholds for housing wealth (EUR 90 000 and EUR 135 000 for a single person and a couple with two children, respectively) may disqualify a considerable number of claimants who pass the income test but fail the asset test. What matters here is the *joint* distribution of income and wealth: the income-poor/asset-rich are just as ineligible for the GMI as the income-rich/asset-poor (with the thresholds dividing 'rich' and 'poor' set rather low, as outlined above).
2. Stringent residence criteria (although not as strict as other social benefits). More specifically, in order to be allowed to apply for the GMI non-EU citizens must be in possession of a permanent residence permit. Temporary residence permit holders and undocumented migrants are ineligible for the GMI.
3. Non-take-up may be significant (although the available evidence remains circumstantial). Marini et al. (2019) found that 'only 37% of households in the first decile are currently receiving the benefit, even though […] the programme's income eligibility criteria should ensure coverage of all households

in the first decile and of a portion of households in the second decile' (p.3). Analysing non-take-up in greater depth, the 2019 World Bank report estimated that of the 63% of households in the first decile not in receipt of the GMI, most had failed to apply (rather than having their application rejected). At first sight, this appears to constitute *prima facie* evidence of non-take-up. 'A sizeable portion of these (about one-quarter, or 15% of households in the first decile) had never heard of the programme, and half (or 31% of households in the first decile had heard about the SSI but did not know any detail and hence never applied' (Marini et al., 2019, p.9). On closer inspection, this may not necessarily be the case: '11% of households in the first decile reported being familiar with the programme but chose not to apply for various reasons (mostly because they thought they would not qualify); one can only speculate that such households may have informal sources of income and wanted to avoid scrutiny by applying for a welfare programme. Asset filters may also be playing a role in the lower-than-expected coverage of the first decile' (Marini et al., 2019, pp.9-10).

Given that the World Bank study was carried out only one year after the launch of the programme, it is likely that knowledge of its availability has since improved. Local administrators at municipalities and community centres are known to inform vulnerable residents about the programme. However, the number of recipients has fallen faster than the number of people living in poverty, which suggests that the problem of low coverage may in fact have become more acute.

1.3 Adequacy

In 2020, the rate of the GMI (i.e. the maximum benefit payable to those with no resources of their own) corresponded to 27% of median household disposable income for a single person (26% for a couple with two children). As a share of the poverty threshold, the single-person rate was 46% (60% threshold) or 68% (40% threshold). In the case of a couple with two children, the GMI rates were 43% and 65% of the respective poverty threshold (all figures on an annual basis).

Table 2 shows that the level of the GMI for a couple with two children was double that of unemployment assistance benefit (payable only to long-term unemployed workers aged 45-64), approximately equal to 69% of the level of unemployment insurance benefit, and to 48% of the level of the statutory minimum wage. (All figures are for a single-earner household, including allowances for dependents, on an annual basis). For a single person, the GMI rate compared less favourably with the minimum wage (26%) and unemployment insurance benefit (45%), while it was exactly equal to the level of unemployment assistance benefit (for long-term unemployed workers aged 45-64).

Table 2. Rates of GMI vs other social benefits and poverty thresholds, 2020

	Single person		**Couple with two children**	
	EUR pa	**Ratio (%)**	**EUR pa**	**Ratio (%)**
GMI	2 400	N/A	4 800	N/A
Statutory minimum wage	9 100	26%	10 010	48%
Unemployment insurance	5 390	45%	7 007	69%
Unemployment assistance	2 400	100%	2 400	200%
Poverty thresholds				
Below 40%	3 511	68%	7 373	65%
Below 60%	5 266	46%	11 059	43%

Sources: Ministry of Labour and Social Affairs (GMI and other benefit rates), Eurostat (poverty thresholds).

The programme accounts for a significant share of resources commanded by the target population. Marini et al. (2019) estimated that the GMI provided 69% of the aggregate income of households in the first decile, and one-third of the aggregate income of households below the 40% poverty threshold.

Indexation is *ad hoc* and has yet to happen, i.e. the GMI level has not been adjusted since the programme was launched in February 2017.

In 2020, as a special provision related to emergency income support in the context of the COVID-19 pandemic, GMI recipients with children received a one-off lump sum of EUR 100 for the first child, and EUR 50 for each subsequent child, up to a maximum of EUR 300.

1.4 Links with other benefits

GMI acts as a 'passport benefit' for a number of other schemes, with GMI recipients also eligible for additional benefits or subsidies, which are awarded either automatically or on application. These are:

- Fund for European Aid to the Most Deprived (FEAD; in Greek – TEBA): GMI recipients may opt to receive food and basic goods, with an estimated 80% of all GMI recipients receiving this extra support;
- Social tariff: GMI recipients are eligible to apply for a discount on their electricity bills. In 2018, about 46% of all households (58% of all individuals) in receipt of GMI also benefited from the social tariff. Marini et al. (2019) estimated that the discount implicit in the social tariff for GMI recipients (about 85% of the normal tariff) was worth EUR 82.50 for an average consumption of 1,100 kWh over a four-month period;
- Social dividend: in place since 2014, this is a discretionary lump-sum transfer paid at the end of the year to a list of beneficiaries (usually low-income pensioners, the unemployed, etc.). According to Marini et al. (2019), some 70% of GMI recipients received the social dividend in 2017. In 2020, GMI recipients were added to that year's list of those eligible for the social dividend (equal to the value of an extra monthly payment). This was expected to be the case in 2021 also;
- Free entry to cultural sites: GMI beneficiaries may visit a range of museums and archaeological sites free of charge.

Income from housing benefit and disability benefits is excluded from the income assessed when applying for the GMI. According to September 2021 data, the share of GMI beneficiary units with a disabled member was 4.3% (1.3% at individual level). To date, no data are available on the joint distribution of GMI recipients and housing benefit recipients. The total number of households that received housing benefit in 2020 was 241 154.

Conversely, income from the GMI is excluded from income assessed when applying for all other social benefits (including housing benefit and child benefit).

2 Links with labour market activation

Policies aimed at (re)integrating beneficiaries into the labour market (Pillar 3) were slow to develop and activation of GMI recipients remains limited. However, given the lack of employment opportunities, even better-designed activation policies and stricter sanctions may have had little effect on the employment rate of GMI recipients. Unemployment in Greece remains the highest in the EU, at 16.1% in the second quarter of 2021, down from 27.5% in the same quarter of 2013.

The original GMI legislation emphasised labour market activation, obliging GMI recipients to collaborate with the PES and imposing sanctions for non-compliance.

However, the provisions were not properly enforced, primarily due to limited capacity at the PES. Following a pilot phase, the nationwide rollout of Pillar 3 policies was officially launched in June 2021. A Joint Ministerial Decree of July 2021 also aimed to strengthen the labour market activation of GMI recipients. The main provisions in force are:

- All adult members of a household in receipt of the GMI who are able to work are expected to register with the (PES; in Greek - *ΟΑΕΔ*) within one month of approval of their application for the GMI. About 51% of all GMI recipients (70% of those aged 15-64) are now registered with the PES. About 24% of all working-age recipients are in work, 3% are incapable of working, and the remaining 3% are self-reported unemployed but not yet registered with the PES;
- Once registered, GMI recipients are obliged to attend their local PES branch when invited to do so, to accept any suitable job offer, and to participate in activation programmes such as training, job counselling or entrepreneurship support. Those younger than 45 who have not finished compulsory education must pass – if invited - elementary school final examinations or enrol in second-chance schools;
- As of 1 June 2021, approximately up to 4 500 new recipients per month, upon prioritization, must attend an interview with an employment counsellor at the PES to assess their skills ('profiling'). They are then expected to sign up to an Individual Action Plan, drawn up with their employment counsellor. Existing recipients are expected to do this when their application is reassessed. The Plan commits the individual to accepting reasonable job offers or invitations to participate in training (a similar provision applies to registered unemployed workers who do not receive the GMI);
- In theory, non-compliance with these obligations can lead to exclusion from the scheme, with reapplication possible only after the obligations have been fulfilled. These sanctions were deferred to October 2021 ~~January 2022~~. In practice, the role of sanctions is constrained by the capacity of the local PES, which must first invite recipients to accept a job offer, participate in training or an activation programme, sign up to an Individual Action Plan, enrol in a second-chance school, etc. Progress is being made, however: data from September 2021 show that over 32% of all GMI recipients registered with the PES had signed up to an Individual Action Plan, while nearly 9% had participated in an active labour market programme.

As an extra inducement, GMI beneficiaries have been designated a 'priority group' in some activation programmes (vocational training, public work and internship schemes, hiring subsidies). GMI recipients are assigned extra points in the scoring system for selecting participants, as well as a higher rate or a longer duration of subsidy.

GMI benefit is paid as a fixed-term award for a period of six months. Recipients transitioning to employment continue to receive the same amount of GMI benefit until the six-month term expires. At that time, and assuming the recipient informs the programme administrators of the change in circumstances resulting from being employed, their primary income is reassessed and GMI benefit adjusted or discontinued, as appropriate.

3 Links to social services and integrated provision of targeted social services

Policies to promote the social inclusion of GMI beneficiaries (Pillar 2) were provided since the inception of the scheme. From mid-2021, such policies began to be systematically recorded by municipal services and community centres in the framework of the procedure launched in June 2021 for the interconnection of GMI beneficiaries with the 2nd and 3rd pillar. More specifically:

- At the time of applying for the GMI, municipal or community centre employees handling the application inform claimants of the possibility to claim other benefits, services and goods, provided they meet the relevant eligibility conditions in each case;
- If not submit an application through the municipal or community centers, GMI beneficiaries and their dependents are later invited to visit the municipality or community centre, where they are advised or referred to suitable supplementary social services at local or national level. Referrals are monitored by the case manager responsible for assessing the needs of the recipient household, on the basis of which a Personal/Family Social Empowerment Plan is then drawn up. Unlike the 'profiling' for an Individual Action Plan under Pillar 3, there is no specific questionnaire for needs assessment for a Personal/Family Social Empowerment Plan under Pillar 2.

The lack of integration between the different platforms used to assess applications and provision of social benefits, services and goods remains a key challenge.

The Ministry's monitoring report (2021) provides information on the number of GMI recipients being briefed on Pillar 2 additional benefits, services, and goods by municipality or community centre staff on a monthly basis. The numbers appear low: in September 2021, out of a total 231 395 households (426 637 members), 3 078 were invited to a briefing session on additional benefits, services, and goods, of which 1 838 attended. Data on actual receipt of Pillar 2 additional benefits, services, and goods by GMI recipients are not yet available.

4 Governance mechanisms

From an administrative perspective, the GMI programme sits within the Directorate for the Fight Against Poverty, located under the Directorate-General for Social Solidarity, at the Ministry of Labour and Social Affairs. The Directorate monitors day-to-day operations, analyses information on receipt, coverage and take-up, troubleshoots, interacts with municipalities and community centres, and advises ministers on policy. The Directorate for Financial Management (also within the same Ministry) monitors the assignation of funding to the GMI programme.

The Social Solidarity and Welfare Benefits Agency (in Greek - *ΟΠΕΚΑ*) is tasked with the actual payment of income support under the GMI. It authorises the approval, rejection, and suspension of GMI payments to beneficiaries, ensures the payment of arrears and the recovery of unduly paid amounts, examines appeals, carries out audits, and provides case managers at municipalities and community centres with access to the GMI information system.

The GMI information system is managed and maintained by a central authority (Social Insurance E-Governance; in Greek - *ΗΔΙΚΑ*). Its tasks include maintaining the central database of GMI beneficiaries, and carrying out cross-checks with other public authorities' databases (e.g. the PES, the Independent Authority for Public Revenue (in Greek - *ΑΑΔΕ*), and other databases of Public Administration Information Systems, under the Ministry of Digital Governance). *ΗΔΙΚΑ* advises *ΟΠΕΚΑ* on entitlements and, in the case of over-payment, liabilities. It also provides technical support to municipalities and community centres, and sends GMI recipients updates or notifications via email or text message[8].

[8] GMI recipients with no telephone or email address may opt to provide the contact details of a relative or close friend. Failing that, they may opt to be notified by the local community centre.

Municipalities and community centres are the intersection between the GMI programme and applicants. These are responsible for hiring and training case managers, supporting applicants unable to apply online or unsure about how to fill-in the form, checking documents attached to applications, conducting spot-checks to verify the residence, composition and living conditions of the applicant household, informing GMI beneficiaries about the rights and obligations arising from participation in the programme, and referring household members to complementary social services, benefits and goods at local and national level under Pillar 2. They are also responsible for implementing outreach and communication strategies to the general public, targeting vulnerable groups such as the homeless. In practice, administrative performance varies considerably between municipalities.

The PES is tasked with labour market activation under Pillar 3 (see Section 3). It registers unemployed GMI recipients, assesses their skills via a questionnaire ('profiling'), and draws up Individual Action Plans on the basis of an interview with case managers.

Finally, the National Institute of Labour and Human Resources (in Greek - *ΕΙΕΑΔ*) is responsible for evaluating the programme.

The main governance challenges are:

- The Social Insurance e-Governance unit that manages the GMI information system has been reduced and is now seriously understaffed - a single employee is responsible for maintaining and updating the entire GMI information system;
- Although well-designed, the GMI information system is not properly connected with the platforms used under Pillars 2 (supplementary social services) and 3 (labour market activation). This has implications for the activation and reintegration of GMI beneficiaries, enforcement of obligations, and efficient targeting of the programme. A proposal to create a single digital portal for social welfare programmes (to be funded under the country's National Recovery and Resilience Plan) is now being considered.

5 Impact of MI Scheme

Overall, thanks to the commitment of administrators at central and local level, and to the quality of the information system used, the GMI programme is being smoothly run. In the words of Marini et al. (2019):

"Thanks to the well-designed information system, the program's application process has been proceeding without major obstacle. […] The majority of beneficiaries and municipal staff appreciated the clarity of the application form and the fact that the applicants were informed of the outcome immediately after submission. At the same time, qualitative work highlighted how the fact that the application form could be filled with the help of municipality […] staff likely limited the exclusion of those applicants that did not feel comfortable with an online application." (pp. 16, 36)

As regards the impact on poverty, the GMI programme is a lifeline for nearly 4% of population at the bottom of the income distribution, providing the bulk of the resources available to them. As explained in Section 2 of this Country Fiche, vertical targeting efficiency is high: only 20% of recipients were over a poverty threshold of 40% of median equivalent household disposable income. On the other hand, horizontal targeting efficiency is low: the programme fails to reach as many as two-thirds of the population below 40% of median equivalent household disposable income. Furthermore, dwindling recipient numbers suggest that low coverage may have become more of a problem in recent years.

As things stand, GMI is expected to make a rather modest contribution to reducing the poverty gap, and to have little effect on the poverty rate, even if the poverty threshold is set low. Marini et al. (2019) estimated that the programme reduced the poverty gap by 17.9% (from 9.9% to 8.1%), the weighted poverty gap (assigning a greater weight to the poorest among the poor) by 23.5%, and the poverty (headcount) rate by only 5.3%. All these estimates refer to a poverty threshold set at 40% of median equivalent household disposable income.

As mentioned earlier, the poverty rate has gradually declined as the economy stabilised. As the economy recovers from the pandemic, and from the deep recession of the early 2010s, there is optimism that it will provide a more supportive environment for the labour market participation of beneficiaries. A significant increase in labour demand, and a smoother operation of Pillar 3 (labour market activation) policies, should improve prospects for GMI recipients.

6 Sources

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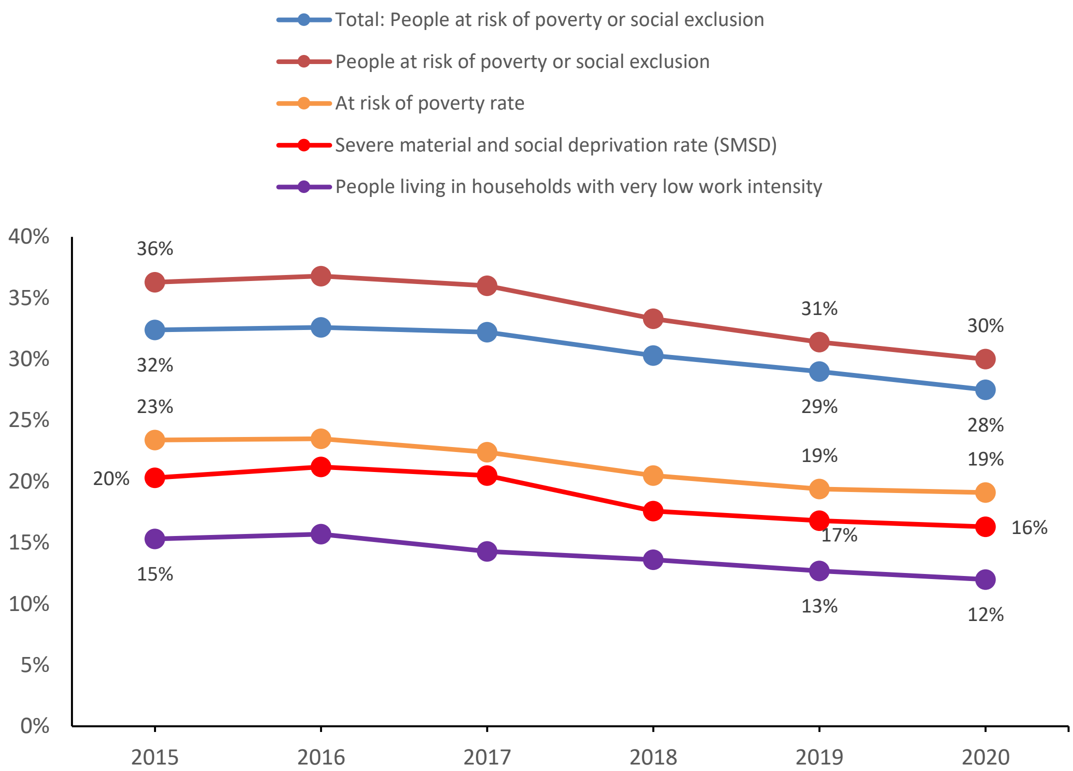
Interview

- George Planiteros, Director of the Directorate for the Fight Against Poverty at the Ministry of Labour and Social Affairs, responsible for the implementation of the Guaranteed Minimum Income (Wednesday 13 October 2021).

7 Annex

Figure 1. AROPE indicator and components, Greece, 2015-2020 (%)

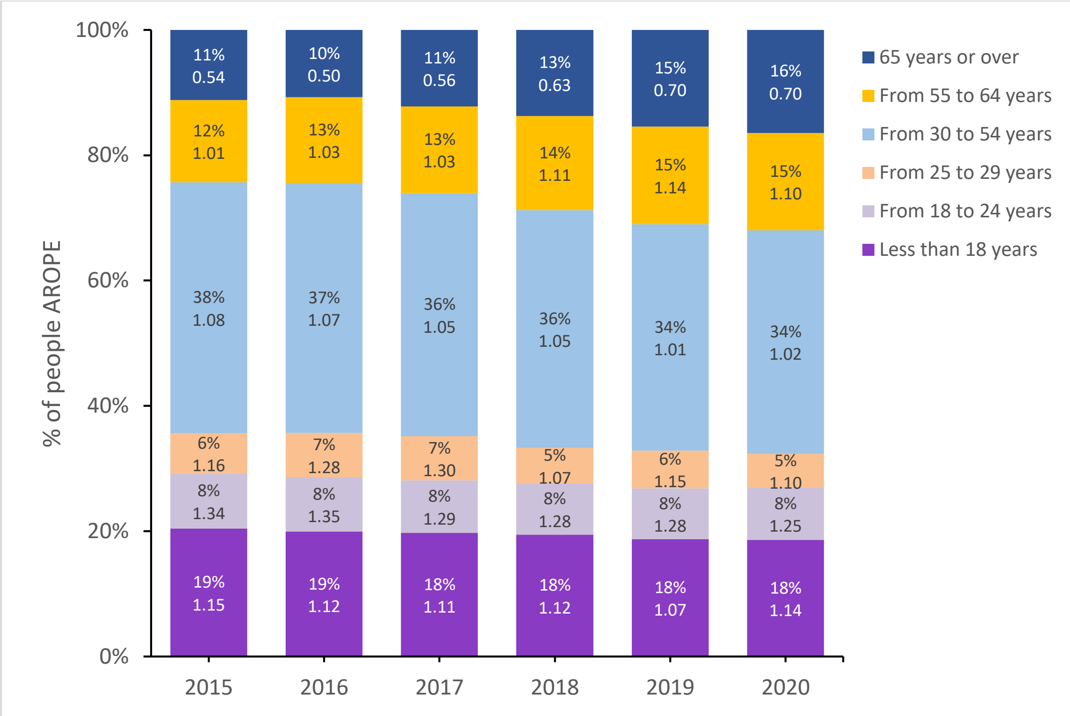


Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64.

Source: Eurostat EU-SILC indicators [ilc_peps01n], [ilc_li02], [ilc_mdsd11] and [ilc_lvhl11n]. Data downloaded on 14/02/2022.

- In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Greece stood at 27.5%, while that of those aged 0-64 was higher at 30.0%, implying a relatively low risk among those 65 and over. Over the 5 years 2015-2020, the AROPE rate declined for both the total population and more especially, those aged 0-64 (by 6 percentage points).
- Most of the people aged 0-64 at risk of poverty or social exclusion (19.1 %) had household disposable income of below 60% of the median in 2020 (I.e. they were at risk of poverty). This share declined in line with the AROPE rate between 2015 and 2020.
- Over half (54%) of those aged 0-64 at risk of poverty or social exclusion were affected by severe material and social deprivation (16.3% of those aged 0-64). This share also declined between 2015 to 2020, broadly in line with the at-risk-of-poverty rate.
- A smaller proportion (40%) of those at risk of poverty or social exclusion lived in households with very low work intensity in 2020 (12.0% of those aged 0-64). The relative number of people involved fell as well between 2015 to 2020, though by slightly less so.

Figure 2. Division of people aged 0-64 at risk of poverty or social exclusion by age group, Greece, 2015-2020 (%)

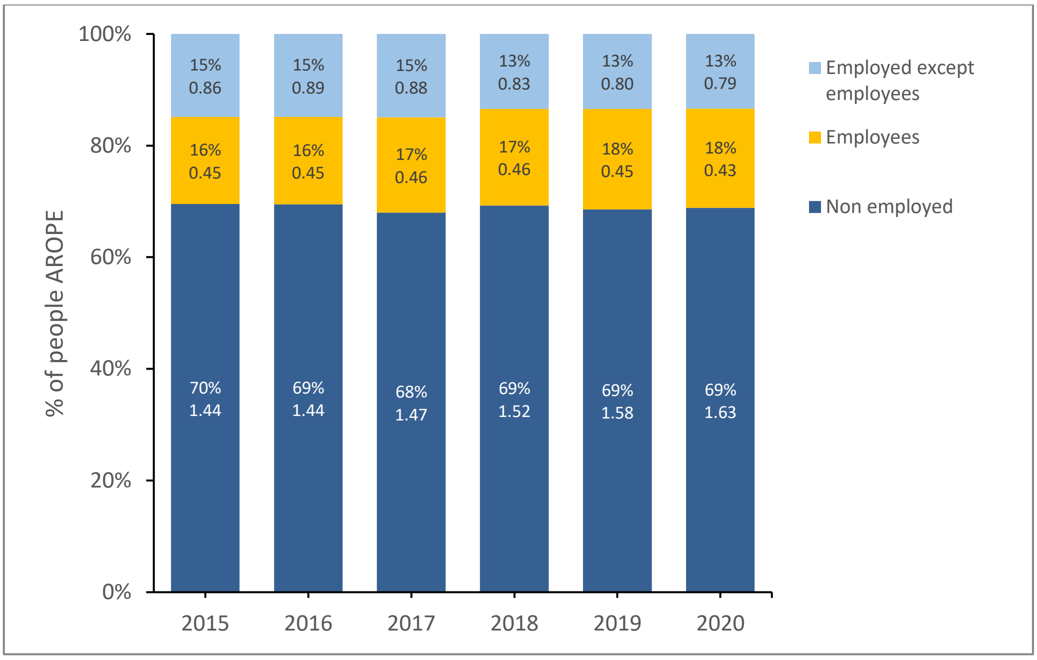


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps01n], own calculation. Data downloaded on 14/02/2022.

- More women than men aged under 65 were at risk of poverty or social exclusion in 2020 (52% of the total).Since there were the same number of women in the population of this age group, the implication is that women were more at risk than men, a situation which was the same in the 5 previous years.
- As noted above, older people aged 65 and over are less likely to be at risk of poverty or social exclusion than those younger, markedly so. In 2020, they made up only 16 of the total at risk, though the proportion is tending to increase over time, as a result both of rising numbers in the age group and an increasing likelihood of the people concerned being at risk.
- Children under 18 are more likely to be at risk of poverty or social exclusion than adults, these accounting for the same proportion of the total as risk in 2020 as those of 65 and over.
- Young people aged 18-24 are particularly likely to be at risk, while those aged 25-29 were more at risk than older working-age groups in 2020.

Figure 3. Division of people aged 18-64 in at risk of poverty or social exclusion by most frequent economic activity status, Greece, 2015-2020 (%)

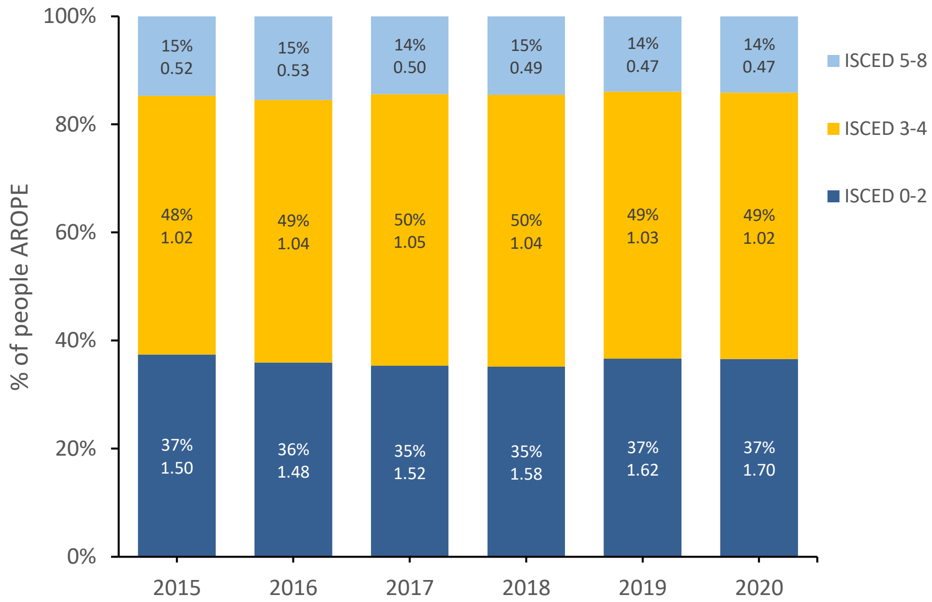


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps02n] and [ilc_lvhl02], own calculation. Data downloaded on 14/02/2022.

- People aged 18-64 not in employment were far more likely than those in work to be at risk of poverty or social exclusion, making up 69% of the total at risk in this age group in 2020 and for much the same proportion over the preceding 5 years.
- Among those in employment, the self-employed and family workers were more likely to be at risk than employees, accounting for 13% of the total of working age at risk in 2020, a share not much smaller than that of employees, despite their smaller numbers.

Figure 4. Division of people aged 18-64 in at risk of poverty or social exclusion by education level, Greece, 2015-2020 (%)

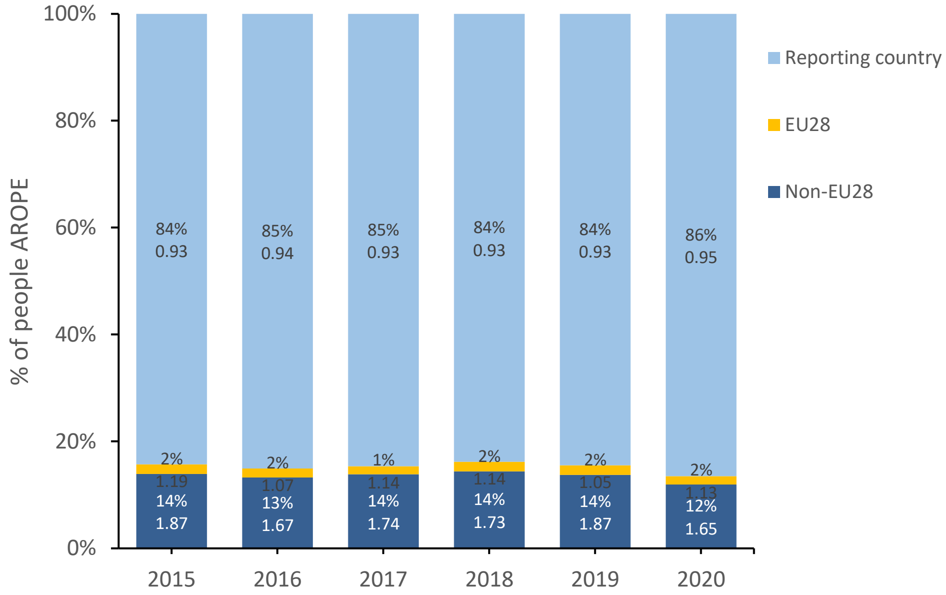


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps04n] and [ilc_lvps04], own calculation. Data downloaded on 14/02/2022.

- People aged 18-64 with only basic schooling (ISCED 0-2) are much more likely to be at risk than those with higher education, in 2020, accounting for 37% of the total at risk. This is much the same as in the previous 5 years, the increase in the likelihood of them being at risk offsetting the declining number of people with low education.
- People with tertiary education (ISCED 5-8) among those aged 18-64 are far less likely to be at risk of poverty or social exclusion than those with upper secondary education (ISCED 3 and 4) and made up only 14% of the total at risk in 2020, again much the same share as in the preceding 5 years.

Figure 5. Division of people aged 18-64 in at risk of poverty or social exclusion by country of birth, Greece, 2015-2020 (%)

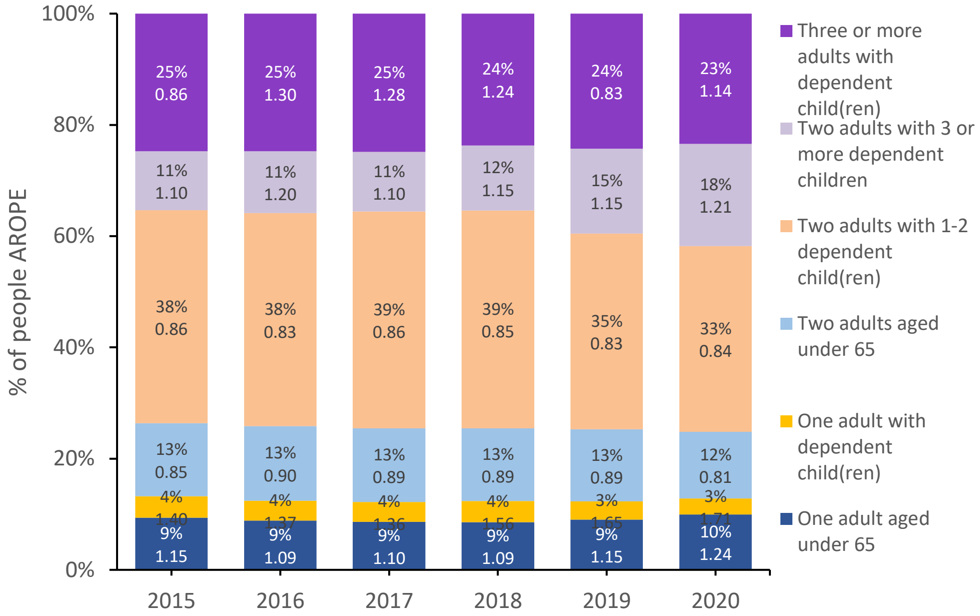


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps06n] (Data downloaded on 14/02/2022) and EU-SILC microdata, own calculation.

- People aged 18-64 born outside the country are considerably more likely to be at risk of poverty or social exclusion than those born in Greece, making up 12% of the total at risk in this age group in 2020, significantly more than their share of population.

Figure 6. Division of people in at risk of poverty or social exclusion by household type, Greece, 2015-2020 (%)



Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.

Source: Eurostat EU-SILC indicators [ilc_peps03n] and [ilc_lvps02], own calculation. Data downloaded on 14/02/2022.

- People under 65 living alone are more likely to be t risk of poverty or social exclusion than others. This is especially so for those with children, though these are relatively few in number, as are those living alone without children. The two together therefore accounted for only 13% of the total at risk in 2020.
- Couples with 1-2 children are no more likely to be at risk of poverty or social exclusion than couples aged under 65 without children, though those with 3 or more children are significantly more likely to be so and their share of the total at risk increased over the period 2015-2020.
- Households with three or more people under 65 with children are also more likely to be at risk than other households, accounting for a relatively large share of the total at risk in 2020.

Table 3. At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Greece, 2015-2020

	Before social transfers, excl. old-age benefits (%)	After social transfers (%)	Effect of social transfers on arop rate (%-point change)
2015	27.8	23.4	-4.4
2016	28.0	23.5	-4.5
2017	26.5	22.4	-4.1
2018	25.8	20.5	-5.3
2019	25.6	19.4	-6.2
2020	26.2	19.1	-7.1

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li10]. Data downloaded on 14/02/2022.

- Social transfers had the effect of reducing the at-risk-of-poverty (arop) rate by just 7 percentage points in 2020, cutting the number at risk by only just over a quarter (27%). This, however, is significantly more than in the preceding 5 years, when the effect of social benefits, except in 2019, was to reduce the number at risk by only 15-20%.

Table 4. At risk of poverty rate and persistent at risk of poverty rate for those aged 18-64, Greece, 2015-2020

	At risk of poverty rate (%)	Persistent at risk of poverty rate (%)	Persistent rate as % of annual rate
2015	22.5	14.1	62.7
2016	22.7	16.2	71.4
2017	21.7	15.0	69.1
2018	19.8	13.0	65.7
2019	18.9	13.0	68.8
2020	18.5	12.8	69.2

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li21]. Data downloaded on 14/02/2022.

Almost 70% of people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. The proportion was similarly large in most of the preceding 5 years.

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