



COUNTRY
REPORT
FOR
GREECE

A photograph of a woman holding a young child, walking on a sidewalk next to a brick building. The entire image is overlaid with a semi-transparent red filter. The woman is looking down at the child, and the child is looking towards the camera. The background shows a brick wall and a metal railing.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

EU 2020 Strategy: general evaluation

It is of significance that the 5 focal targets of the 2020 Strategy stand as European goals as well, for all the Member States of the European Union. Thus, this acknowledgement brings us to the practical part of the suggestions to confront the problems faced.

Five years after the entry into force of the Europe 2020 Strategy, in Greece, not only are the targets regarding (1) Employment and (2) the Fight against Poverty and Social Exclusion far from being achieved, but the situation has even deteriorated dramatically. This means that in Greece, the Europe 2020 Strategy has failed altogether by two-fifths of the program (essentially concerning the most crucial fields). This is being acknowledged – yet not officially condemned – by the European Commission in its communication to the other bodies of the European Union. A lack of decisiveness is noted by the European Commission regarding their dedication towards a uniform confrontation of the problems of unemployment and poverty. During the crisis, Europe did not stand as a convergence mechanism; it appeared more as a machine producing significant deviations.

A specific, legally binding target, that would effectively address poverty and social exclusion, is missing. The uniform quantification of individual social targets (i.e. the elimination of extreme poverty, measures for workers living below the poverty threshold, access to elementary social services, unemployment, the fight against child and elderly poverty, minimum guaranteed income) should be a top priority.

Specific measures in each state must also be taken by the EU leading to the achievement of the employment goal of 75%. Moreover, the efficiency of these measures needs to be monitored at all times. The reduction to 70% of the percentage mentioned above concerning Greece is not adequate. A general and uniform prohibition of an over-3% unemployment rate for all the Member States needs to be established (Tzemos, <http://www.dee.gr/contents.asp?id=692&category=17>) within the framework of both (a) the revised 2020 Strategy, and (b) primary European law. The above should be combined with secondary European law correction so that each individual national divergence will be gradually corrected.

The general and uniform prohibition of an over-3% unemployment rate must also be embodied within the system of the "European semester". Within the new institutional framework of the European Stability Mechanism (ESM), as well as within the Programmes of Financial Assistance of the member-states of the EU (i.e. Greece), a more specific targeting of the social goals must be embodied.

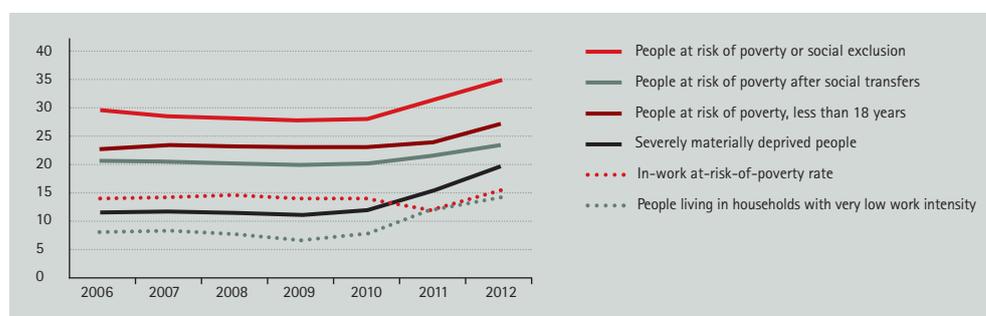
In view of the revision of the 2020 Strategy, the EU needs to proceed to a re-estimation of priorities by placing the social goals on top, especially due to the acute social crisis faced by a number of its Member States during the general crisis (2009-2014). Moreover, the seven flagship-initiatives must be redesigned, taking into consideration more social indicators.

The main factors of the European social policy that do appear in the 2020 Strategy must be part of the basis of a uniform European social law with common regulations concerning all the Member States of the EU.

02 Poverty

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Greece													
POVERTY													
People at risk of poverty or social exclusion	-	-	27.6	-	-	27.7	-	-	31.0	-	-	34.6	24.8
People at risk of poverty after social transfers	19.1	20.2	19.7	19.1	20.2	19.7	20.9	21.9	21.4	22.5	23.6	23.1	17.0
People at risk of poverty, under 18 years of age	-	-	23	-	-	23.0	-	-	23.7	-	-	26.9	20.8
Severely materially deprived people	-	-	11	-	-	11.6	-	-	15.2	-	-	19.5	9.9
In-work at-risk-of-poverty rate	16.1	10.6	13.8	16.4	10.2	13.8	13.2	10.1	11.9	16.5	13.1	15.1	9.2
People living in households with very low work intensity	-	-	6.6	-	-	7.6	-	-	12.0	-	-	14.2	10.3



Development of poverty and social exclusion indicators in Greece (2009-2012) based on Eurostat:

- ➔ All poverty indicators have risen considerably since 2009. The at-risk-of-poverty-or-social exclusion rate grew by 7 p.p., reaching 34.6% in 2012.
- ➔ The highest relative increase occurred in the rate for people living in households with very low work intensity, which more than doubled, reaching a rate of 14.2% in 2012 compared to 6.6% in 2009, which is the second highest rate in the EU.
- ➔ The highest absolute increase occurred in the rate of severe material deprivation, which rose from 11% in 2009 to 19.5% in 2012, well above the EU-average (9.9% in 2012).
- ➔ It is worth noting that child poverty is one of the highest in the EU with a rate of 26.9% in 2012, compared to 23% in 2009.

- ➔ The at-risk-of poverty-after-social-transfers' rate increased from 19.7% in 2009 to 23.1% in 2012, making Greece the country with the highest share of persons with an equivalised disposable income below the risk-of-poverty threshold in the EU. Furthermore, Greece also ranks highest (13.8% in 2012) in the persistent at-risk of poverty rate (EU-average in 2013: 10.2%).
- ➔ As far as the equally essential indicator of "risk of poverty or social exclusion" is concerned, Greece was found to be in the fourth worst place within the EU with a percentage of 34.6% of the population in 2013, compared to the EU average of 24.8%.
- ➔ The number of people experiencing extreme poverty doubled between 2009 and 2012, as severe material deprivation increased from 1,198,000 people in 2009 to 2,141,000 people in 2012.
- ➔ In 2013, food prices were 2% above the average price in the EU.

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ Contact with the people, within the framework of the "Hope" ("Elpis")¹ programme in particular, has shown a constantly increasing need for distribution of elementary food supplies and clothing to a very large part of the population. This need concerns both Greeks and foreigners. The number of Greek people that attend social common meals – many of whom were successful freelancers up until recently but today have no money to satisfy their elementary living needs – has increased at an exponential rate.
- ➔ One of the indications of the new forms of poverty in Greece is overdue debt of the citizens to the state which increased from 33.5 billion euros in 2009, to 62.3 billion euros in 2013 (http://www.publicrevenue.gr/kpi/public/blog/attach/files/rss/epix_sxedio_ggde.pdf, p.55) and to 67.2 billion euros in June 2014. Most taxpayers are incapable of actually fulfilling all their debts within the standing legal framework. In 4.5 years, the number of taxpayers that are in debt to the internal revenue service (IRS) has increased by 271.4%. They totalled 700,000 at the end of 2009 and in spring of 2014, they amounted to 2,6 million. The new overdue debts of 2013 have reached the amount of 7.42 billion euros, whereas in the first semester of 2014, they increased by 6,225 billion. In 2013, 392 official corporate bankruptcies were counted; in 2012, these totalled 415.
- ➔ According ICAP data², during the first semester of 2014, 11,909 dishonoured cheques were issued, amounting to 180 million euros. In 2013, 38,937 such cheques were noted, reaching an amount of 474 million euros, whereas in 2012 the respective numbers were 112,576 bad cheques corresponding to 195 million Euros³.
- ➔ From 2010 to 2013, the rise in electricity bills amounted to 44%. From 1 July 2014, new increases have been foreseen concerning certain domestic usage of electric power.
- ➔ Since 1 January 2014, toll rates have significantly increased – sometimes up to 60% – for all categories of vehicles. As a typical example, the toll rates to travel from Athens to Thessaloniki (approx. 502 km) and return now cost more than 56 euros.

¹ <http://caritas.gr/2013/10/axioprepi-diaviosi-koinoniki-apodoxi/>

² <http://www.icap.gr/Documents/ExeliksiMegethon/2014/06JUN/ANALYTIKOS%20PIINAKAS%20ANANA%20MHNA%20-%20IOYNIOS%202014%20%20EΛΛΗNIKA.pdf>

³ <http://www.icap.gr/Documents/ExeliksiMegethon/2013/12-DEC/ANALYTIKOS%20PIINAKAS%20ANANA%20MHNA%20-%20ΔΕΚΕΜΒΡΙΟΣ%202013%20-%20EΛΛΗNIKA.pdf>

Testimony

I am 53, divorced and live with my two adult sons. I suffer from cancer, I do not work and the only income in the house is the disability allowance of my son, who suffers from Down syndrome. Financially, we are in a very difficult position, since, apart from the basic expenses of a family, we also have to pay for doctors. Public hospitals do not always

provide adequate service; therefore, we are sometimes obliged to visit a private doctor. The social services do not offer specific benefits. On the other hand, the help that Caritas Hellas offers through the Hope (Elpis) project is of great importance for us. It permits us to cover our basic needs for food. – Caritas Athens project beneficiary

2.2

Recent policy developments

An extreme deterioration of the standard of living of the middle class and the already poor social classes is being detected in Greece. While the purely economic indicators show signs of improvement, there appears no such parallel amelioration concerning the social indicators. Few measures have been taken to restrain the already high extreme poverty levels, nor any measures in favour of the people at risk of poverty and social exclusion.

Article 1 of Law 4254/2014 provided for 450 million euros to be reprogrammed from the Primary Surplus of the General Government in 2013 in order to support low-income citizens and families; and 238,000 families received the above sum.

Moreover, Law 4254/2014 provided for the disposal of 20,000,000 euros, taken from the Primary Surplus of 2014 in order to finance programmes for the homeless.

Up until 28 February 2015, free health services are granted (L. 4254/2014) under certain conditions to insured people of specific insurance organizations (e.g. the Insurance Agency for freelancers – “OAEI”, mechanics of their respective insurance organization – “ETAA”, and elderly insured people with the agricultural insurance agency – “OGA”), who do not possess an insurance booklet due to debts.

Law 4254/2014 also provides a lump sum to be granted in favour of low-income, uniformed personnel.

Based on Art. 180 of Law 4270/2014, confiscated money from criminal activities is to be channelled to financing programmes or actions focused on education, research, health or social solidarity.

Since 1 September 2014, the prices of tickets on urban transportation in Athens have been reduced.

In light of the negotiations of the Troika, the following legislative adjustments took place in Greece:

- ➔ L. 4270/2014 transferred Directive 2011/85/EU in Greece, thus instituting rules of fiscal management and supervision. Article 26 of the law provides for rules of a “debt brake”, however, without sufficient provision regarding the social indicators.
- ➔ On 1 July 2014, electric power costs were increased by 11.1% for certain domestic uses. Starting from September 2014, further general cost increases in electric power are anticipated.
- ➔ L. 4250/2014 has reduced the days of paid vacation of public servants from 31 to 25 per year.
- ➔ A new code on immigration and social integration has been passed (L. 4251/2014).
- ➔ A new electricity company has been created (L. 4273/2014).
- ➔ Law 4223/2013 has imposed a new common property tax (“ENFIA”), which replaced a previous similar tax (“EETIDE”). The new tax will be paid to the IRS (and not through the Public Corporation of Electricity, as the law previously provided) in 6 payments. On average, the new tax is expected to be lower than the previous one, yet is still excessively high.

Social investment package: investing in children⁴

ASSESSMENT OF PROGRESS

- ➔ With regards to providing for adequate living standards through a combination of benefits
 - A primary goal needs to be set, and that is the quantification of the reduction of unemployment each year by 7%, until Greece returns to the respective pre-crisis rates (2008) and to the average rate of unemployment of the EU.
 - Scientific research needs to be promoted, in order to come up with more efficient and realistic strategies on increasing employment by category of the unemployed.
 - The programmes tackling unemployment must be financed by the EU.
 - An emphasis must be put on finding, not temporary, but permanent, structural solutions.
- ➔ Concerning the improvement of the education system's impact on equal opportunities
 - Free public education needs to be further financed. The reduction of wages to extremely low, even undignified, levels, affecting all teachers, regardless of their rank, must be corrected. If not, an improvement of the quality of education appears quite difficult. The low budget on education does not permit the improvement of educational structures. A number of schools and universities do not possess the money for infrastructure maintenance, so even the safety of children and their teachers is jeopardised.
- ➔ As regards the improvement of the responsiveness of health systems to address the needs of disadvantaged children
 - The health system structure has not been reformed for the benefit of the citizens. In 2013, there still appeared to be a shortage of basic materials and medicines in hospitals. Many regional hospitals suffered from a lack of both medical and nursing personnel.
 - According to Article 1 par. 3 of L. 4238/2014, the structures falling under National Primary Health Care ("PEDY") provide their services to every citizen without exception, regardless of their social security status (insured and uninsured people alike).

EU initiative for Roma integration⁵

ASSESSMENT OF PROGRESS

The 'Education of Roma Children' Programme, which is being supervised by the National and Kapodistrian University of Athens and the 'Roma Children in Macedonia and Thrace' Programme, supervised by the Aristotle University of Thessalonika, both include aspects that may improve school attendance rates. A centre in Volos has had good results at getting children to attend school, among other things.⁶

As far as housing is concerned, Greece has initiated three regional, integrated, pilot programmes with an infrastructure component. Furthermore, the Greek Ombudsman has created a separate team for Roma issues.⁷

At the same time, 29 Support Centres for Vulnerable Groups – Roma included – continue to offer their services.

⁴ European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage 2013/112/* EU approved under the Framework of the Social Investment Package

⁵ Council of the European Union (Employment, Social Policy, Health and Consumer Affairs *Council Meeting*), 2013, *Council Recommendation on Effective Roma Integration Measures in the Member States*

⁶ http://ec.europa.eu/justice/discrimination/files/roma_country_fact_sheets_2014/greece_en.pdf, p.3

⁷ <http://www.synigoros.gr/?i=maps.en>

Innovative services or programmes implemented by Caritas Greece

DESCRIPTION OF THE SERVICE OR PROGRAMME

Over the last few years, Caritas in Greece has been receiving a constantly increasing number of calls for help from people who are unable to meet their basic needs. In order for Caritas in Greece to be able to cope with this new situation, it has become clear that it is necessary to combine the help, offered through projects, for people in need, with the development and enhancement of its network. In fact, in February 2013, Caritas Hellas undertook its first national, annual project called "Hope" (Elpis), the aim of which was to contribute to the reduction of the consequences of the crisis for 230 poor and socially excluded families, via the distribution of food, and at the same time to enhance the network of Caritas in Greece, so that it can be in a position to undertake new projects in the future, which will offer more targeted and effective help. The "Hope" ("ELPIS") project has operated for a second consecutive year; it has been improved and addresses more than 500 poor families. The project combines two goals: (a) immediate relief to the families through the distribution of food, non-food items and psychological support, as well as (b) the empowerment of the Caritas Hellas network. The latter is necessary, so that Caritas Hellas becomes more autonomous, independent and even more capable of providing sufficient comfort to even more people.

Assessment of Greece's Country Specific Recommendations (CSRs) adopted in 2014:

No further recommendations are being put to Greece, so that overlaps with measures provided by the updated programme of economic adjustment may be avoided. Instead of specific recommendations, the European Commission refers to the 4th review of the Economic Adjustment Programme for Greece⁸. Therefore, there is only an assessment document by the European Commission⁹. Moreover, the Commission refers to the national reforms programme 2014¹⁰. The latter two may be found only in English. The lack of national recommendations linked to the 2020 Strategy, as well as the fact that the social agenda is presented as a side note of the memoranda, both appear to be serious mistakes. Thus, serious serious deviations from the confrontation and estimation of poverty and other social problems are being followed.

The fact that no specific recommendations are being made, but a simple reference to the updated economic adjustment programme is given, leads in effect to the acceptance of the exclusion of Greece from the social targets of the 2020 Strategy. The economic adjustment programme was elaborated by the Troika, not by competent institutions on social matters of the European Union, hence, there is 27.8% unemployment in Greece.

⁸ http://ec.europa.eu/economy_finance/publications/occasional_paper/2014/pdf/ocp192_en.pdf

⁹ http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_greece_en.pdf

¹⁰ http://ec.europa.eu/europe2020/pdf/csr2014/nrp2014_greece_en.pdf

2.3 Recommendations

Given the above assessments, Caritas recommends the following policy measures to be introduced in order to address the challenges related to poverty and social exclusion:

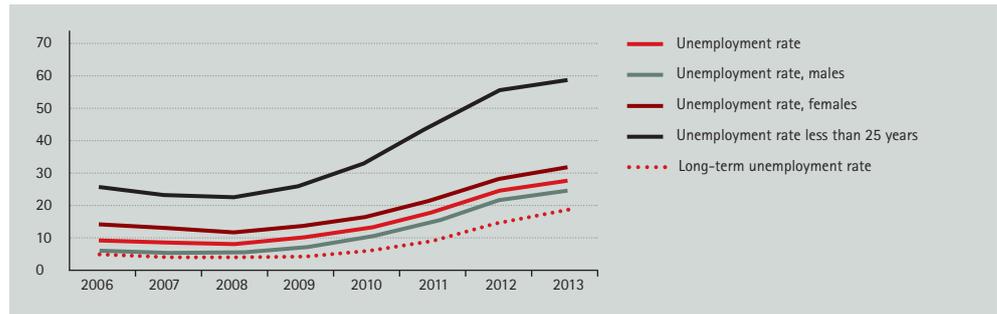
- ➔ Homeless people in Greece must be identified and counted, so that the Greek state – financed by the EU, if necessary – may provide shelters within one year. A service must be constituted, where homeless people can register, in order to be sheltered.
- ➔ The system of a guaranteed minimum income must be instituted and put into force immediately, across the board, and not on a piecemeal basis. The system must be monitored and evaluated on a regular basis.
- ➔ The minimum wage must return to the amount it was before the crisis.
- ➔ Sectoral collective agreements must be reintegrated within the working environment.
- ➔ Toll rates must be reduced to previous year's prices.
- ➔ The increase to the cost of electric power must be revoked.
- ➔ The consumption tax on oil for domestic use must be reduced by 30%.
- ➔ The VAT on basic goods must be reduced.
- ➔ The unemployment benefit must be increased and effectively correlated to the guaranteed minimum income.
- ➔ The spending on social protection must rise and be distributed rationally, based on need. The OECD review on the reform of social protection systems acknowledges that the expenses for social protection in Greece (including the expenditure on pensions and health), compared to the international regime, are low¹¹.

¹¹ <http://www.tovima.gr/files/1/2013/09/17/oosa.pdf>

03 Employment

3.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Greece																
EMPLOYMENT																
Employment rate	78.8	52.7	65.8	76.2	51.7	64.0	71.1	48.6	59.9	65.3	45.2	55.3	62.9	43.3	53.2	68.3
Unemployment rate	6.9	13.2	9.5	9.9	16.2	12.6	15	21.4	17.7	21.4	28.1	24.3	24.3	31.3	27.3	10.8
Unemployment rate, under 25 years of age	-	-	25.8	-	-	32.9	-	-	44.4	-	-	55.3	-	-	58.3	23.4
Long-term unemployment rate	2.4	6	3.9	3.9	8.1	5.7	6.7	11.5	8.8	12.1	17.4	14.4	16.1	21.5	18.4	5.1



Development of employment indicators in Greece (2009-2013) based on Eurostat:

- ➔ Greece's employment levels have been on a downward trajectory since 2008: the country has experienced the worst drop in employment in Europe since the beginning of the crisis (-12.6 p.p. between 2009 and 2013), and has the lowest employment rate in the EU (53.2% in 2013).
- ➔ Greece has the lowest rate of employment of women, with a rate of 43.3% in 2013 (EU average: 62.5%); although data shows a decrease in the employment gap between men and women, this is mainly due to a considerable drop in the employment rate of men, from 78.8% in 2009 to 62.9% in 2013.
- ➔ Unemployment rates are worryingly high:
 - Unemployment has tripled since 2009, reaching a rate of 27.3% in 2013, the highest in the EU.
 - At 58.3%, the youth unemployment rate is also the highest in Europe (it grew by 3 p.p. between 2012 and 2013).
 - The long-term unemployment rate is also the highest (14.4% in 2012) in the EU with a rate of 18.4% in 2013, compared to 3.9% in 2009 and has recently shown the highest rate of increase (+4 p.p. between 2012 and 2013).
- ➔ The share of persons aged 0-17 living in jobless households has dramatically increased (it has tripled since 2009 (4.8%) and quadrupled since 2008 (3.6%)) and it rose to 12.9% in 2012. This demonstrates that unemployment aggravates the already low birth rate in Greece and hampers unemployed/poor couples from starting a family, consequently having severe consequences for the future.

Additional national data shows the severity of the problems reflected by the above Eurostat data:

During the first Trimester of 2014, the number of employed people in Greece was 3,483,716 and the number of those unemployed 1,342,299. The unemployment rate reached 27.8%. It was 27.8% in the last trimester of 2013 and 27.6% in the first trimester of 2013. In other words, there was a further rise in the unemployment rate of 0,2 p.p. during the first trimester of 2013.¹²

During the fourth trimester of 2013, the number of employed people totalled 3,589,657 while unemployed people amounted to 1,363,137. The unemployment rate was 27.5%, whereas during the former trimester it was 27.0% and during the respective semester of 2012 the rate was 26.0%.¹³

The highest unemployment rate during the fourth trimester of 2013 corresponds to the age group 15-24 (57%) and to young women in particular (62.5%). The extreme increase of the unemployment rate in every age group (25-29: 44.7%, 30-44: 26.3%, 45-64: 19.5%, 65+: 9.9%) in 2013 is deeply concerning. The problem is aggravated by the fact that only 1/12 of unemployed people in Greece benefit from unemployment allowance.

¹² http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0101/PressReleases/A0101_SJ001_DT_QQ_01_2014_01_F_GR.pdf

¹³ http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0101/PressReleases/A0101_SJ001_DT_QQ_04_2013_01_F_GR.pdf

The Greek Manpower Organization ("OAED") programmes¹⁴ did not lead to any decrease in unemployment. The unemployment rate remains most discouraging (approximately 28%), in particular for young people, women and the productive age group. These figures are unacceptable for a democratic state that wants to stand for and respect its citizens. The extreme rise in unemployment constitutes the number one problem in Greece. It is a social problem giving birth to further new problems within the framework of the social, economic and political sphere and worsening already existing problems. The tragic unemployment regime increases poverty, health problems (especially those concerning mental health) as well as criminality and the number of suicides. It exacerbates xenophobia and aggravates the racist phenomena - it clearly contributed to the rise in popularity of the far-right neo-Nazi party "Golden Dawn" during the national elections of 2012 and the European elections of 2014. It prompts an enormous number of Greek people (young and old) to migrate in search of employment, while most of these people have rather high qualifications and would be absolutely indispensable for the recovery of the Greek economy and society.

Testimony

I arrived in Greece in 2004. At the beginning I got by with occasional jobs, but since 2008 I have been registered and work as a cleaning lady. During the past year, my wage has reduced by 40% and ever since it has been very hard for me. I raise my two children alone and my pay check barely covers rent and the bills.

I accept the help of the Church and Caritas, but I essentially survive on my previous years' savings. When that money is gone, I do not know what will happen to us. I buy only the essentials at the super market. I cut back on everything. I go to the open market for our fruit and vegetables, at noon, when they sell their last products at a very low price. The programmes of Caritas Hellas are very helpful for me and my family. I regularly eat a hot meal provided by the Refugee Project of Caritas Athens and we take part in the monthly "distribution of food programme" that is offered by the Project Elpis of Caritas Hellas. The project Elpis also supports us emotionally and morally. Despite my financial status, I do not want to return to Albania. I try to be positive about the future. - Caritas Athens project beneficiary

3.2

Recent policy developments

According to Law 4172/2013, the statutory minimum wage will be set by the government after consultation with social partners. The new wage setting mechanism will come into force in 2017.

A joint Ministerial Decision (no. 44137/613/18.12.13, following Law 4093/2012) was issued, changing the age and income criteria for long-term unemployment benefit (effective as of 1/1/2014).

Ministerial Decision No. 10035/1239/63/27.1.2014 modified the terms and conditions for the payment of unemployment benefits to former self-employed people, thus extending the payment of this unemployment allowance to those who have made arrangements for paying their social contributions (professionals that were excluded from the previous provision).

¹⁴ <http://www.oaed.gr/index.php?lang=en>

Under Law 4152/2013 and through new programmes of the Greek Manpower Organization (OAED), unemployed people are hired on full-time contracts for a period of five months at municipalities, in regions, at Directorates of primary and secondary education and other public services.

The Ministry of Labour, Social Security and Welfare with the technical support of the World Bank is preparing to issue a minimum guaranteed income benefit. It will be tested on a pilot basis in 2014 in 15 different areas of the country. The pilot programme will start in September 2014. It is addressed to individuals and families living in conditions of extreme poverty, providing beneficiaries with income support, in combination with social reintegration activities. It will run in addition to the applicable policies for combating poverty and social exclusion. The results of this pilot programme will be used to design a permanent minimum income scheme that will be implemented after April 2015.

Not only are the implemented measures not sufficient, they are ineffective as well. Unfortunately, unemployment rose even further in 2013 and 2014, up to 27,8%. According to a document of the European Commission, published in November 2013, the guaranteed minimum income scheme was to be put into force on a pilot basis from January 2014.¹⁵ Unfortunately, it was not until the end of July 2014 that it was announced that this scheme would enter into force in September 2014 on a pilot basis in 15 areas. Finally, it is difficult to improve the social safety net in Greece while simultaneously meeting the asphyxiating financial prerequisites, as the European Commission suggests¹⁶.

EU initiative: youth guarantee¹⁷

ASSESSMENT OF PROGRESS

Greece submitted a Youth Guarantee Implementation Plan on 31 December 2013. The Plan is foreseen to be fully implemented by 2016.

Greece is eligible for funds from the Youth Employment Initiative: it has an allocation of 171,52 million euros (in current prices) with all regions being eligible (Anatoliki Makedonia - Thraki, Attiki, Dytiki Ellada, Dytiki Makedonia, Ipeiros, Kentriki Makedonia, Kriti, Notio Aigaio, Peloponnisos, Sterea Ellada, Thessalia, Voreio Aigaio). The amount of money above appears rather low, considering the rate of youth unemployment in Greece (now 57%).

3.3

Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to the employment situation:

- ➔ Immediate increase of the minimum wage.
- ➔ Active confrontation of unemployment. Nowadays unemployment is the number one pan-European problem and should be efficiently treated as such. This can be achieved by enhancing cooperation between the public employment services, but also through setting clear, legally binding objectives related to unemployment.
- ➔ It is necessary to plan and accomplish permanent solutions, regardless of the financial cost, in order to address the 27.8% rate of unemployment in Greece.
- ➔ Enforcement of legally binding European measures against unemployment.
- ➔ The reform measures of labour law have failed and have led to a rate of 27.8% of unemployment. These measures need to be changed.

¹⁵ http://ec.europa.eu/europe2020/pdf/2014/csimpl2014_sw_d_en.pdf, p. 10

¹⁶ http://ec.europa.eu/europe2020/pdf/2014/csimpl2014_sw_d_en.pdf, p. 10

¹⁷ Council of the European Union, 2013, *Recommendation on establishing a Youth Guarantee* (2013/C 120/01)

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This report is supported by the European Union Programme for Employment and Social Solidarity – PROGRESS (2007-2013).