



International
Labour
Office



THE STATE OF APPLICATION OF THE PROVISIONS
FOR SOCIAL SECURITY OF THE INTERNATIONAL
TREATIES ON SOCIAL RIGHTS RATIFIED BY

Greece

ILO
TECHNICAL
NOTE

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The information and data contained in the Technical Note is taken from the Government reports, on-line databases of the National Statistical office, official web-sites of the government departments, MISSCEO, MISSOC, SSI, ILOSTAT and EUROSTAT.

List of international abbreviations:

CAS	Committee on the Application of Standards, International Labour Conference
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CESCR	Committee on Economic, Social and Cultural Rights
COE	Council of Europe
CRC	Convention on the Rights of the Child
CRPD	Convention on the Rights of Persons with Disabilities
ECSR	European Committee of Social Rights
ECSS	European Code of Social Security
ESC	European Social Charter
EU	European Union
EUROSTAT	Statistical Office of the European Union
GC	Governmental Committee of the European Social Charter and European Code of Social Security
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILS	International Labour Standards
IMF	International Monetary Fund
MISSEO	Mutual Information System on Social Protection of the Council of Europe
MISSOC	Mutual Information System on Social Protection
OECD	Organisation for Economic Co-operation and Development
SSI	Social Security Inquiry

National abbreviations:

OEK	Workers' housing organization
EKK	National Centre for Social Services
IAP	Integrated Action Plan
KEAO	Social Security Contributions' Collection Centre
AKAGE	Insurance Capital for the Generations' Solidarity
INE-GSEE	General Confederation of Greek Workers

*CHAPTER I. Adequacy of social security
benefits: income and poverty indicators and
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Country profile by Eurostat indicators, National indicators and ILO minimum standards

<u>Eurostat</u>	EU-Avg 2013	2005	2012	2013	2014
At-risk-of-poverty threshold (40%, single person)	€ 462.3	€ 313.9	€ 317.1	€ 279.0	€ 256.0
At-risk-of-poverty threshold (50%, single person)	€ 577.8	€ 392.4	€ 396.3	€ 348.8	€ 320.0
At-risk-of-poverty rate - 50%, before social transfers	19.5%	15.4%	19.8%	20.5%	19.5%
At-risk-of-poverty rate - 50%, after social transfers	10.2%	12.6%	16.0%	16.6%	15.8%
At-risk-of-poverty rate for children under 18 y.o. - 50% thrd	12.4%	12.6%	20.6%	22.3%	19.8%
In-work poverty rate - 50% threshold	5.2%	8.1%	10.6%	9.6%	9.0%
At-risk-of-poverty rate for pensioners - 50% threshold	6.0%	16.7%	6.9%	5.7%	6.1%
Aggregate replacement ratio	55%	49%	52%	60%	60%
Severe material deprivation (% of total population)	9.6%	12.8%	19.5%	20.3%	21.5%
Persistent at-risk-of-poverty rate - 50% threshold	5.2%		8.2%	8.7%	
Social protection expenditure as % of GDP	25.0%	24.9%	31.2%		
Gini coefficient before social transfers	36.1%	34.7%	36.6%	37.0%	37.0%
Gini coefficient after social transfers	30.5%	33.2%	34.3%	34.4%	34.5%

National indicators

Minimum contributory old-age	€ 486.8	2013, The Government Report on the ECSS submitted in 2013
Social pension (>67)	€ 345.0	2013, The Government Report on the ECSS submitted in 2013
Minimum wage	€ 683.8	2013, Eurostat (set by Cabinet Act no 6/28-2-2012)
Average wage	€ 1650.6	2012, UNECE Statistical Database
Average old-age pension	€ 907.7	2013, The Ministry of Labour, Social Security and Welfare

Government Report under the ECSS submitted in 2015

Standard benefits amounts to be provided in the detailed report 2016.

The Office refers to the Technical note prepared in 2014 :

Reference wage of unskilled worker	Article 65-6a: Fitter or turner	€ 1462.2	2010
Standard old-age pension	<u>Unkilled worker</u>	€ 784.9	2010
Replacement rate Man with wife of pensionable age	Including benefit for wife (€ 49.6) and pension supplement (€ 405.9), total amount of benefit is € 1240.3	84.8%	2010

Fig. 1. Income and poverty- single person, 2013

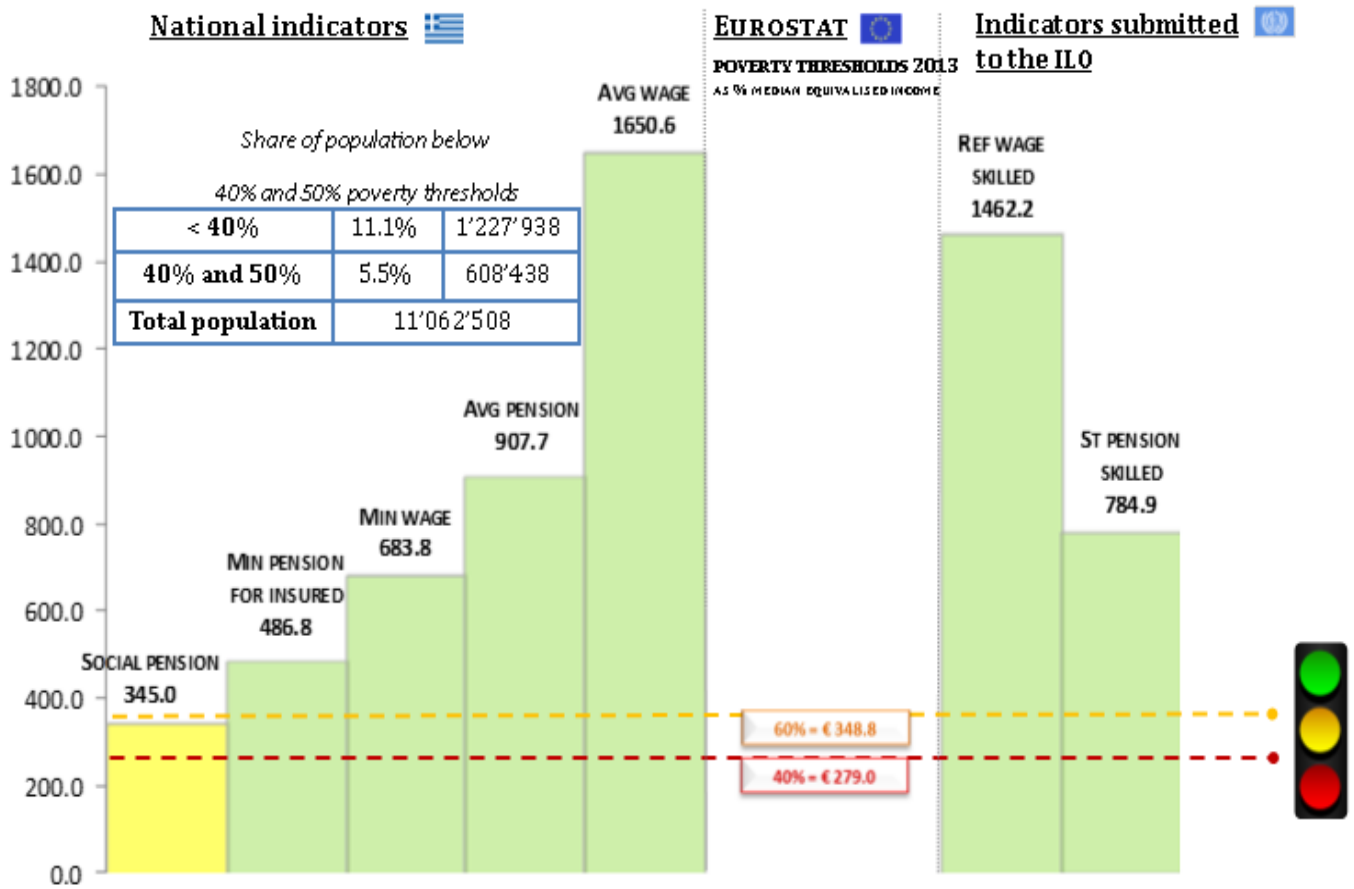


Fig. 2. Structure of population in poverty (Eurostat poverty thresholds of 60%) by the most frequent employment status, 2013

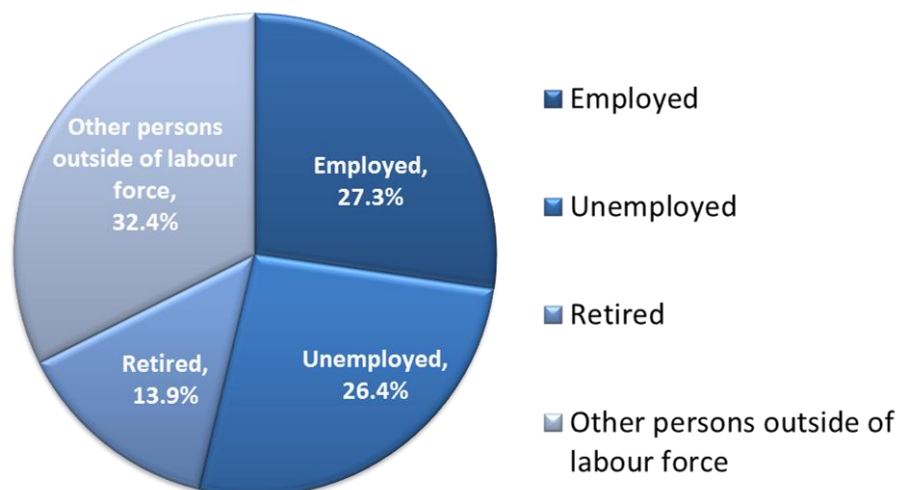
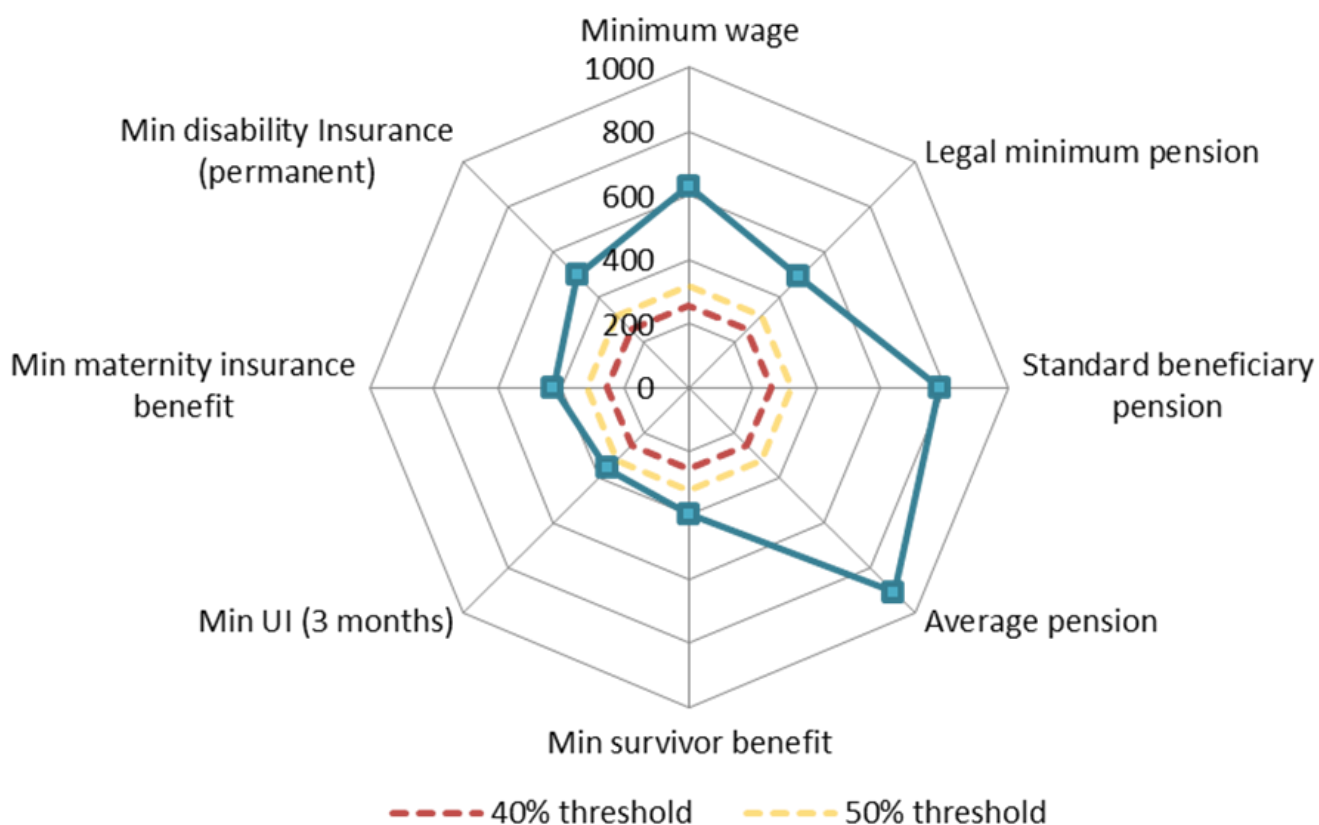
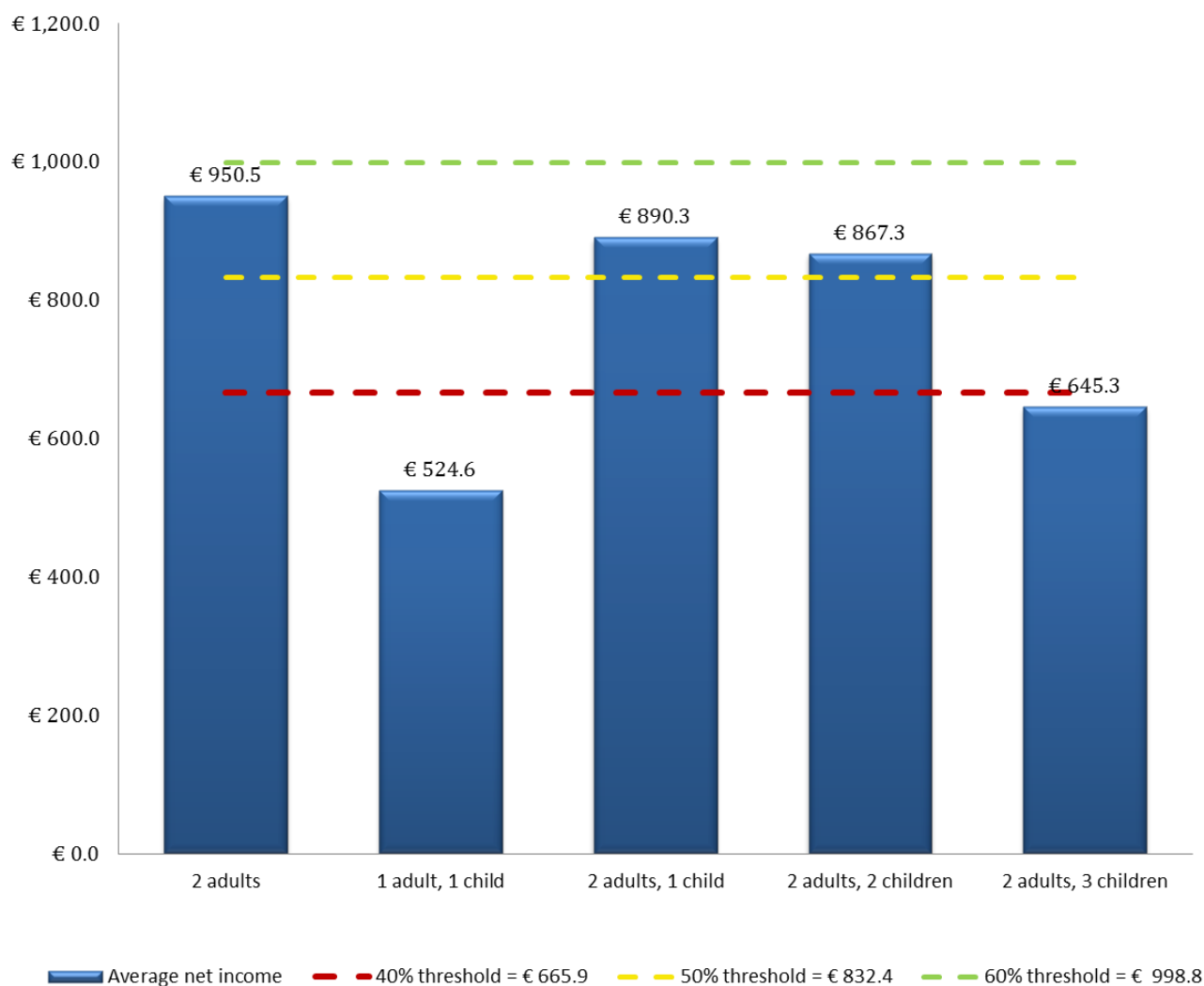


Fig. 3. Social benefits in comparison to Eurostat 40% and 50% poverty thresholds, 2014



Benefits/payments	Amount per month	Sources
Minimum wage	€ 628.8	Public Federal Service for Employment 2014
Legal minimum pension	€ 486.8	MISSOC, 2014
Standard beneficiary pension	€ 784.0	Pension for average case worker, Government Report 2014
Average pension	€ 907.7	Ministry of Labour, Social Security and Welfare 2013
Survivor benefit	€ 396.6	MISSOC, 2014
Unemployment insurance benefit (UI - 3 months)	€ 360.0	MISSOC, 2014
Maternity insurance benefit	€ 425.9	MISSOC, 2014
Disability Insurance (permanent)	€ 495.7	MISSOC, 2014
GMI (single)	-	-
GMI (per adult living in a household)	-	-
At-risk-of-poverty threshold, 40%	€ 256.0	Eurostat, 2014
At-risk-of-poverty threshold, 50%	€ 320.0	Eurostat, 2014

Fig. 4. Income and poverty indicators by type of household, 2012



(at-risk-of-poverty thresholds for the household with 2 adults and 2 children)

Household composition:	Average net income	At risk of poverty rate (60% threshold)
2 adults	€ 950.5	15.1 %
1 adult, 1 child	€ 524.6	66.0 %
2 adults, 1 child	€ 890.3	25.3 %
2 adults, 2 children	€ 867.3	25.9 %
2 adults, 3 children	€ 645.3	36.8 %

Fig. 5. Comparison of monthly wages and pensions (40% replacement rate) to the Eurostat thresholds in 2013-2014, by decile

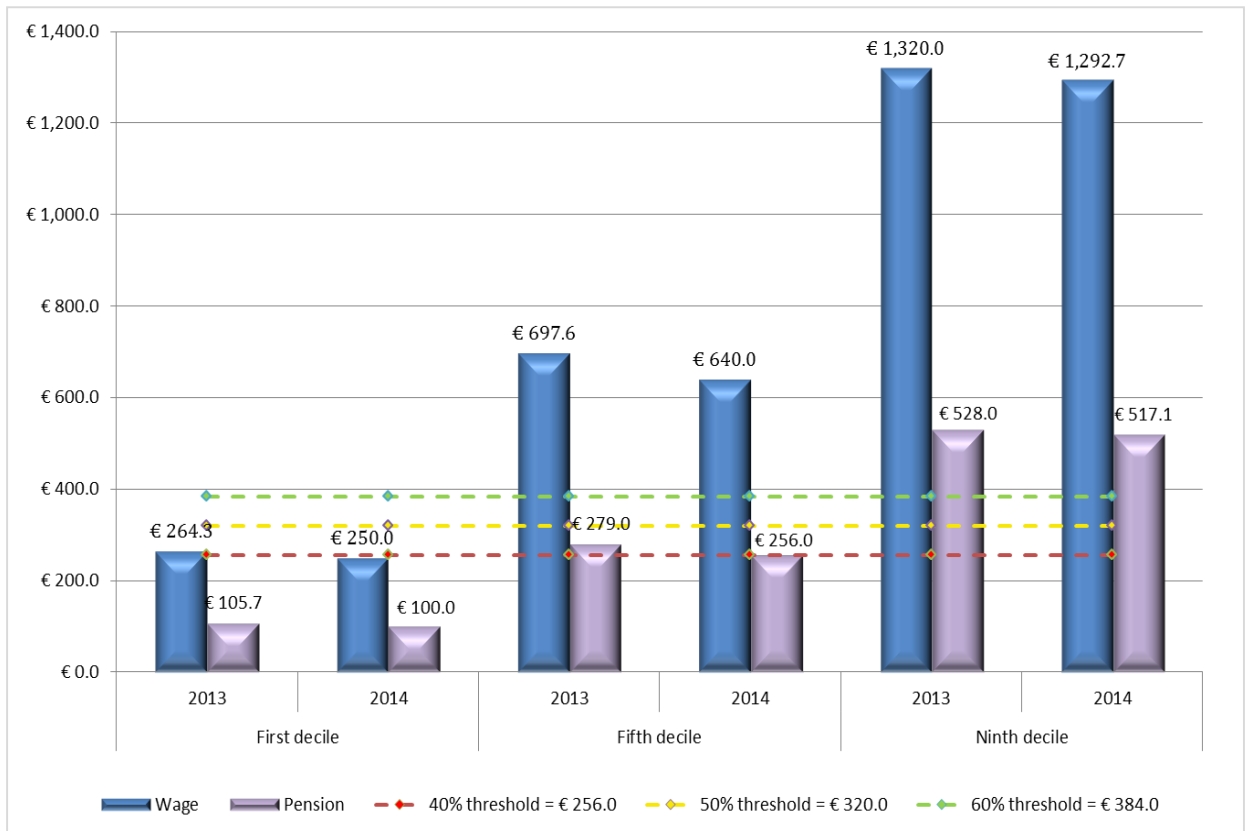


Fig. 6. Test on precarious employment: share of employed population by different job security situation, as % of total employment, 2012

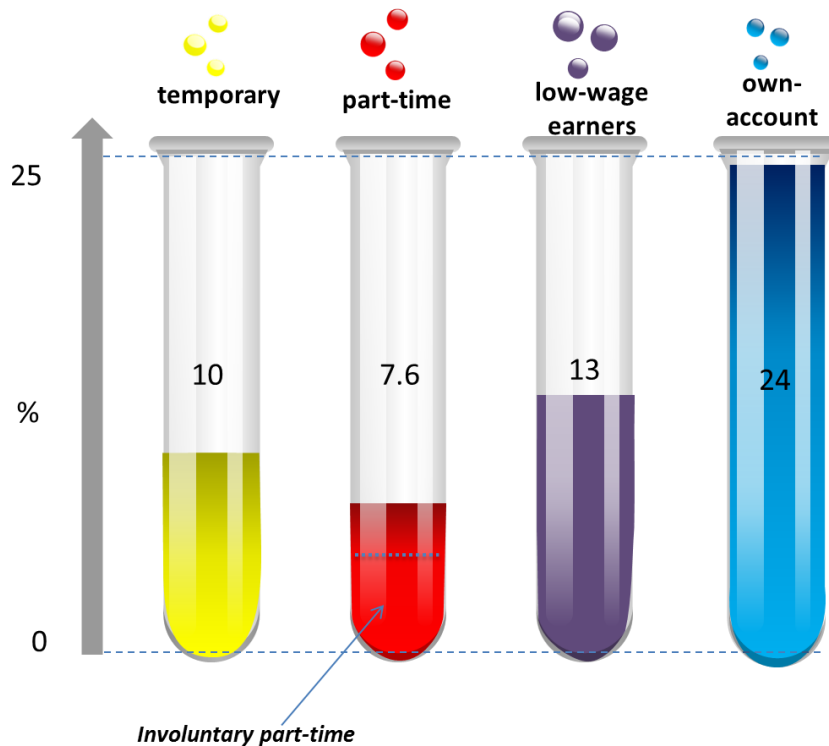
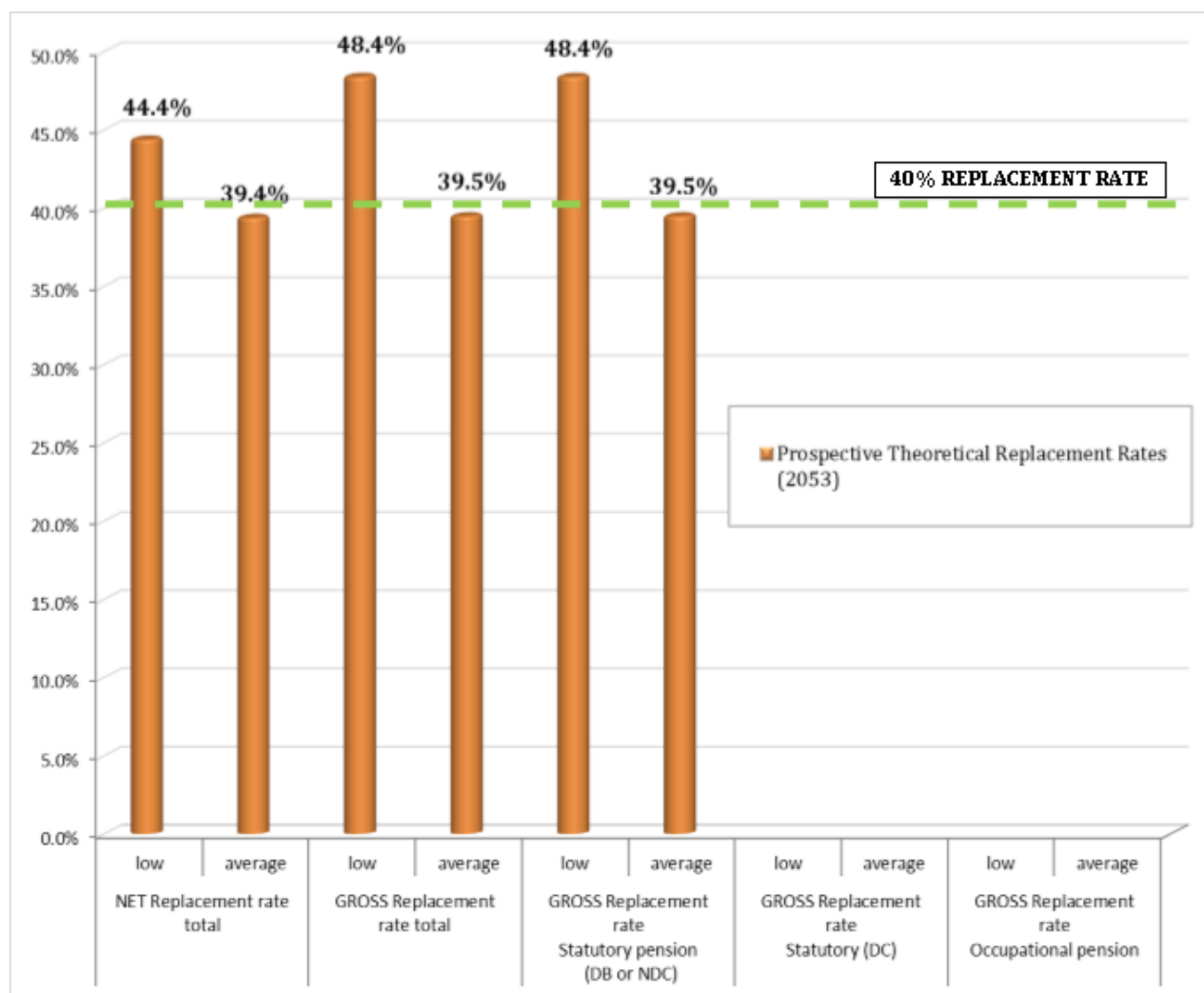


Fig. 7. Theoretical Replacement Rates for low and average wage earners, retiring in 2053 at statutory pension age (67) with 30 years of contributions between 2013 and 2053



Male, 20 years work from age 25 - career break until 10 years prior to SPA - 10 years work. 10 years of career break in the middle of the career

	NET Replacement rate total		GROSS Replacement rate total		GROSS Replacement rate Statutory pension (DB or NDC)		GROSS Replacement rate Statutory (DC)		GROSS Replacement rate Occupational pension	
	low	average	low	average	low	average	low	average	low	average
2053	44.4%	39.4%	48.4%	39.5%	48.4%	39.5%				
2013	data not available									

Source: *The 2015 Pension Adequacy Report: current and future income adequacy in old age in the EU, Volume I*

Social security and reduction of poverty.

Extracts from the 2014 Government report on the European Code of Social Security.

II) A. With respect to the position of the Greek Government, the Committee considers that the adoption by the Government of the socially responsible policy would imply, inter alia, the fulfilment of the following requests made by the Committee in its previous conclusions and restated by the Committee of Ministers in its 2013 Resolution on the application of the European Code of Social Security by Greece: (1) to urgently assess past and future social austerity measures in relation to one of the main objectives of the Code and of the Convention, which is the prevention of poverty; (2) to put this question on the agenda of its future meetings with the parties of the international support mechanism for Greece; (3) to enable the National Actuarial Authority in terms of additional financial and human resources to analyse the redistributive effects of benefit cuts; (4) to determine the most rapid scenarios for undoing certain austerity measures and returning disproportionately cut benefits to the socially acceptable level; and (5) to make full use of ILO technical assistance to support the quantitative analysis of these options and of the subsequent revision of the 2012 actuarial projections for the national pension system.

The issue of poverty in general affects not only our country but most of Europe, as it has been stressed out in the previous Meeting of the Committee of Experts. Specifically as far as Greece is concerned:

1. Prevention of the poverty

The Greek Government is well aware of the social consequences associated with the increasing rates of poverty in Greece and evaluating its current applying policy is trying to design and apply policies within the financial capabilities of the country, aiming at the prevention and avert of poverty targeted to some extent in restoring social balance. These actions are the following:

- **The payment of a social dividend.**

The Ministry of Finance has recently taken the decision to dispose a part of the primary surplus of the general government in 2013, equal to EUR 450 million, to the payment of a “social dividend” as a support to families and citizens of the country with low annual income and low real estate value. The social dividend will be paid as a lump sum, it will be tax-free, will not be subject to any deduction, not confiscation neither set off with already proven debts to the government or credit institutions and will not be included in the incomes’ criteria for the payment of Social Solidarity Allowance (EKAS) or any other benefit of social or welfare character.

11th July of 2014: beneficiaries 564.535 and total expenditure 362.740.066, 85 Euros.

Moreover, actions or policies associated with services for providing housing, feeding and social support of homeless are funded through the above budget.

- **The exemption from monthly pension cuts** of those receiving low main pensions as well as certain cases of invalidity pensioners or family members.
- **The income tax reductions** for low incomes and for specific categories of disabled or war victims as well as tax exemptions for certain categories of salaries, pensions and allowances

such as Social Solidarity Allowance (EKAS), pensions of disabled war victims, salaries and pensions of people with total blindness and non institutional allowance.

- **Establishment of the minimum guaranteed income.**

The program is addressed to individuals and families living in conditions of extreme poverty, providing beneficiaries with income support in combination with social reintegration policies and policies combating poverty and social exclusion that apply when necessary. There will be a pilot applied this year in two areas of the county with different social and financial criteria and the results of this pilot program will be taken into account so as to be expanded throughout the country within the next year. The program will meet the increased needs and will support the households that, due to the economic crisis, cannot be covered by the existing model of social protection.

- **Establishment of the European Fund for poor people.**

The European Fund for poor people will finance actions providing material assistance to those in need during the period 2014-2020 amounting to 250 million Euros. The operational plan of action in Greece, where the terms of the program will be set out as well as the individual actions, are currently under formation so as to be submitted, on time, to the European Commission.

2) The Greek government has and will put on the agenda the issue of the prevention of poverty in its meetings with the parties of the international support mechanism for Greece.

3) The National Actuarial Authority will be in position to determine the social impact of the cuts, solely concerning the Social Security Field, and without taking into account any other income.

4) Analyzed by the above actions to prevent poverty

5) The use for technical assistance from the ILO is something under consideration by the Greek government (to support the quantitative analysis of options-measures taken)

B) Considering that the European Commission forms part of the Troika, the Committee trusts that the Greek Government will not fail to seize the opportunity of using the above ex ante examination of its economic reforms to conduct the post factum examination of the impact of those reforms and the policies of continuous austerity on the rise of poverty and in particular child poverty.

The Greek Ministry of Labor, Social Security and Welfare has set up three national targets in October 2010 which were incorporated in the National Reform Program 2011-2014 :

1) Reduction in the number of people at risk of poverty and/or social exclusion by 450.000 until 2020 which means a reduction of the at-risk of poverty and/or exclusion rate from 28% in 2008 to 24% in 2020.

2) Reduction in the number of children (0-17 years) at -risk-of poverty by 100.000 until 2020, which is translated into a reduction of at-risk-of poverty rate for children (0-17) from 23% in 2008 (EU-SILC 2008) to 18% in 2020.

3) Development of a “social safety net” against social exclusion, which includes access to basic services, such as medical care, housing and education. This specific objective is not quantified, but highlights the need and willingness of the State to increase access to basic services in the framework of the third pillar of active inclusion policy.

III) The Committee considers that in the present situation the establishment of the basic social assistance scheme, in line with the Code and Convention No. 102, becomes an urgent necessity and would like the Government to refer in this respect to the ILO Social Protection Floors Recommendation, 2012 (No. 202). It hopes that in establishing such a scheme and determining the guaranteed minimum income, as well as the amount of the benefit for the long-term unemployed, the Government will rely not only on the poverty indicators, but will ensure that the established minimum amounts remain in all cases above the physical subsistence level for different age groups of the population.

The main economic policy that is still applied in the field of the adjustment program of the Greek economy is based on both frontloaded fiscal adjustments to eliminate the primary fiscal deficit and the internal devaluation, in order to recover the loss of competitiveness of the economy.

The effort, however, to correct macroeconomic imbalances brought significant social impact, resulting in the deep recession and the significant increase in unemployment and poverty.

Additionally, it should be noted that the impact of fiscal tightening was worse than expected, a fact recognized by the International Monetary Fund itself, talking about using “incorrect multipliers” in the formation of the projections and the impact of the measures implemented .

The Greek state, however, within the limits permitted by the implementation of the economic adjustment program makes every effort to relief vulnerable population groups, so that the current austerity measures exempt them or burden them as little as possible:

- **Establishment of the minimum guaranteed income in collaboration with the World Bank.**

The program is addressed to individuals and families living in conditions of extreme poverty, providing beneficiaries with income support in combination with social reintegration policies and policies combating poverty and social exclusion that apply when necessary. It will be pilot applied in two areas of the county with social and financial criteria within this year and the results of this pilot program will be taken into account so as to be expanded throughout the country within the next year. The program will meet the increased needs and support the households that, due to the economic crisis, cannot be covered by the existing model of social protection.

- Establishment of a long- term **unemployment benefit** for the persons aged between 45-66 years old that have already exhausted their right to the regular unemployment benefit, provided that their annual family income does not exceed 5.000€ and that they have remained registered in OAED’s unemployment list for 12 months. This **monthly benefit of €200** is paid for a period of up to 12 months. If the long-term unemployed person is the protector of a minor, the maximum of his/her

- annual income (required in order to receive the benefit) is increased by €587 (for each minor).

- Granting of **EKAS benefit** to pensioners provided that they receive a low pension and they fulfill specific income criteria. The same applies for persons with 80% invalidity regardless of their age and for orphan children who are eligible to their deceased parents’ pension. **The number of IKA - ETAM pensioners receiving EKAS is 199.530 out of a total 1.217.000 and it is estimated that the number of Public Sector receiving EKAS is 5.474**

- **Pension for uninsured persons** of very old age 360€ (345 net) that fulfill certain criteria. This is a purely non-contributory benefit, granted by OGA to the persons who do not

receive any other pension, and it’s financed from the state budget. **The number of beneficiaries in June of 2014 is 30.921. The total expenditure is 10.203.930 Euros.**

- **Payment of family allowance (OGA). 1)** Unified allowance for the support of children: beneficiaries: 1.529.313, expenditure 369.228.485. **2)** Special allowance with 3 or more children. Beneficiaries : 277.778, expenditure 561.155.297
Total of beneficiaries: 1.807.091, total expenditure 561.155.297
- **Granting to families** residing in mountainous or disadvantaged areas, including single parent families, of an annual payment of 600 euro for families with annual income up to 3,000 Euros and 300 Euros with annual income between 3,000 and 4,700 Euros. **2nd Semester of 2013**, 1307 beneficiaries and total expenditure 576.900 Euros. **1st Semester of 2014 total expenditure 494.100 Euros.**
- **Granting to families** with children in the compulsory education, including single parent families, of an annual payment of EUR 300 for each child, with an annual income of € 3,000. **2nd Semester of 2013, beneficiaries 2024 and total expenditure 927.900 Euros. For the 1st semester of 2014, 300.300.00 Euros.**
- Favorable adjustments for the payment of special property tax (rate reduction or exemption) for vulnerable groups, including people living in poverty or threatened with poverty, families with many children, disabled persons, long-term unemployed, regularly subsidized unemployed persons.
- Reductions to income taxes for persons with low income and a decrease by 200 Euros of the amount of tax for specific categories of disabled or war victims.
- Tax exemptions for specific cases wages, pensions and benefits, such as pensions of disabled persons and war victims, salaries and pensions of totally blind, non-institutional allowance and EKAS.
- Exclusion of low pensions and certain cases of invalidity pensioners or of their family members from cuts of their monthly main pension.
- Facilities for the payment of established arrears to the State in cases of economic weakness.

In conclusion, despite the austerity policies because of *Memorandum commitments*, Greece continues to comply with the obligations arising from the ratification of the parts of the Code of Social Security.

Extracts from the 2015 Government report on the European Code of Social Security.

Social security and reduction of poverty.

a) The Committee would like to ask the Government to specify the magnitude of the new reductions in the amounts of the primary and supplementary pensions which would result from the measures mentioned above, as well as the outcome of its negotiations with the Troika on the second pension reform. The Committee notes that the date of the entry into force of the “zero deficit” clause falls outside the reference period of the 32nd annual report on the Code and regrets that the Government’s next report will have to announce the new wave of significant pension cuts which are likely to make ineffective a large part of the Government’s efforts to reduce poverty.

The Government, being aware of the deep recession caused in recent years in the Greek economy, is seeking to exercise a different mix of economic policy that will not lead to further reductions to main and supplementary pensions, as it was expected from 01.01.2015. The aim is not to make new cuts under the zero deficit clause and in this context, it intends to suspend indefinitely its implementation to the supplementary insurance funds. It will also plans to proceed with the restoration of the so-called thirteenth pension for low-income pensioners, whose monthly pensions are below 700 euros, and the gradual restoration of the minimum wage to 751 euros. The zero deficit clause applied only once on July 1st 2014.

b) The Committee requests the Government to explain the criteria used to calculate the amounts of these new benefits as well as the benefit under the new guaranteed minimum income scheme which, according to the report on Convention No. 102, aims to become the core of the new social welfare strategy for the entire country. Please provide information and data on the evolution of poverty in the country among different categories of the population and households and explain the progress made in attaining the national anti-poverty targets, specifying the role assigned in this respect to the social security benefits. In compiling this information, the Government may wish to refer to and update the statistics compiled by the Office in the infographs attached to the present conclusions.

Regarding the criteria for determining the amounts relating to the payment of social security benefits (maternity allowance for the self-employed) and those related to the minimum guaranteed income, these were determined by the financial abilities of the country.

In particular, the amount of the maternity allowance was determined based on financial report of the Department of Actuarial Studies Department of Economic Supervision and Inspection of Legal Entities of the Ministry of Social Security Labour and Welfare and within the approved by the respective Midterm Fiscal Strategy Framework expenditure ceiling for pension funds.

As regards the evolution of poverty in Greece, we would like to inform you that for the period from 2009-2014, although a significant reduction of the general government deficit by 13.6% was achieved, the implementation of fiscal adjustment from 2010 onwards to the Greek

Larger share in terms of household held by single parent households with at least one dependent child	46.3%	54.8%
Largest share held by the unemployed	59.6%	67.8%

Source: Eurostat-Elstat

Examining the effectiveness of social transfers in reducing poverty risk, the data of ELSTAT for 2013 show that all social transfers reduced the at risk of poverty rate by 30.3% (by 4.9% social benefits and by 25.4% pensions), while in 2010 they reduced the at risk of poverty rate by 22.7% (by 3.7% social benefits and by 19% pensions).

The increase of the rate of reduction of poverty risk in 2013, does not seem to be due to the increased efficiency of social transfers, but it is mainly explained by the overall reduction of the total disposable income and consequently the poverty threshold (60% of equivalent median disposable income) which in 2010 accounted for 7,178 euros while in 2013 decreased to 5,023 euros.

The objective of the new economic policy is conducting a fiscal policy with a positive influence on economic activity. In light of this, the intention is to promote and implement a series of reforms aiming at development with a social dimension in the fields of taxation, management of public finances, public administration and social security.

The implementation of measures that will bring about a recession in the economy has been excluded.

c) The Committee urges the Government to provide substantive responses in respect of the following statements made in the report: (1) that the Greek Government has, and will, put the issue of the prevention of poverty on the agenda of its meetings with the parties of the international support mechanism for Greece; (2) that the National Actuarial Authority will be in a position to determine the social impact of the cuts in social security benefits; and (3) that the actions taken to prevent poverty analysed the most rapid scenarios for undoing certain austerity measures and disproportionate cuts in benefits.

1) Concerning the prevention of poverty, the Government considers it of utmost importance, and therefore put it each time in the discussions with the institutions and through the targeted policy, considers that it should take no further measures bringing recession, but economic development. For this reason, the first legislative act of the new government that was recently passed was a law to address the humanitarian crisis. (Law 4320/2015 (GG 29 A)

2) As regards the determination of the social impact of cuts in social security benefits, the National Actuarial Authority has already expressed the ability to determine the social outcome of cuts, with regard solely to pension benefits, under the condition that all the necessary data per insured and per pensioner will be handed (and the Government intends to do so).

3) Measures taken to prevent poverty:

With Regulation 223/2014 the Fund for European Aid to the Most Deprived was established, under which the funding of material assistance activities are provided to the most deprived, amounting to 330 million euros for Greece and for the period from 2014-2020. The operational plan of Greece, where the terms of the program and individual actions are set, has already been approved by the European Commission.

According to article 1 par. A. 2 of law 4254/2014 (GG 85B) the amount of 20 million euros was allocated for the year 2014 to fund schemes providing housing, food and social support for homeless people.

Law 4320/2015 (GG 29 A) provides for the implementation of a package of immediate measures to tackle the humanitarian crisis through:

- ensuring commodity housing (rent subsidy)
- nutrition (food subsidy)
- energy (free power supply for primary residence) for households living in extreme poverty based on income and asset criteria.

This legislative intervention is part of the National Strategy for Social Integration for the development of a universal and effective social protection system aiming not only to ensure decent living, but also to contribute to the country's economic development.

To individuals and families living in extreme poverty it is provided for the year 2015:

- free power supply for their primary residence up to 300 KWh per month
- rent subsidy to 30,000 people to secure housing,
- monthly allowance that does not exceed 70€ per person and 220€ per family that is tax-free not subject to any kind of withholding
- the grant for food is awarded to individuals and families living in extreme poverty. For the grant the total income of beneficiaries from each source is taken into account

In this context, the implementation of the pilot guaranteed minimum income is included (Law 4093/2012, article 1, subpar. IA3), which, until its completion on 30.04.2015, it is estimated that 20,000 beneficiaries living in extreme poverty in 13 municipalities of the country will be profited (one municipality for each Region). At the end of June 2015 the evaluation of the pilot program will begin and will be the base for deciding the expansion.

Finally, the Ministry of Finance with law 4321/2015 settles the payment of arrears of citizens and businesses to tax administration and social security funds (up to 100 installments) according to their economic ability. The motivation set, is the exemption of accumulated debts from surcharges according to the amount of the debt.

CHAPTER II. Selection of the Article 65, 66 or 67 under C102/ECSS and determination of the Standard Reference Wage used for calculating the replacement level of benefits

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- [Fig.9. Average monthly wages of male and female skilled and unskilled employees in the 2 sectors \(Wholesale and Manufacturing\) with the highest number of male employees, in comparison to other wage indicators in Greece](#)
- [Fig.10. Comparison of the reported reference wage to other wage indicators in Greece](#)

Fig. 1. Article 65: Type of social security schemes and method of benefit calculation

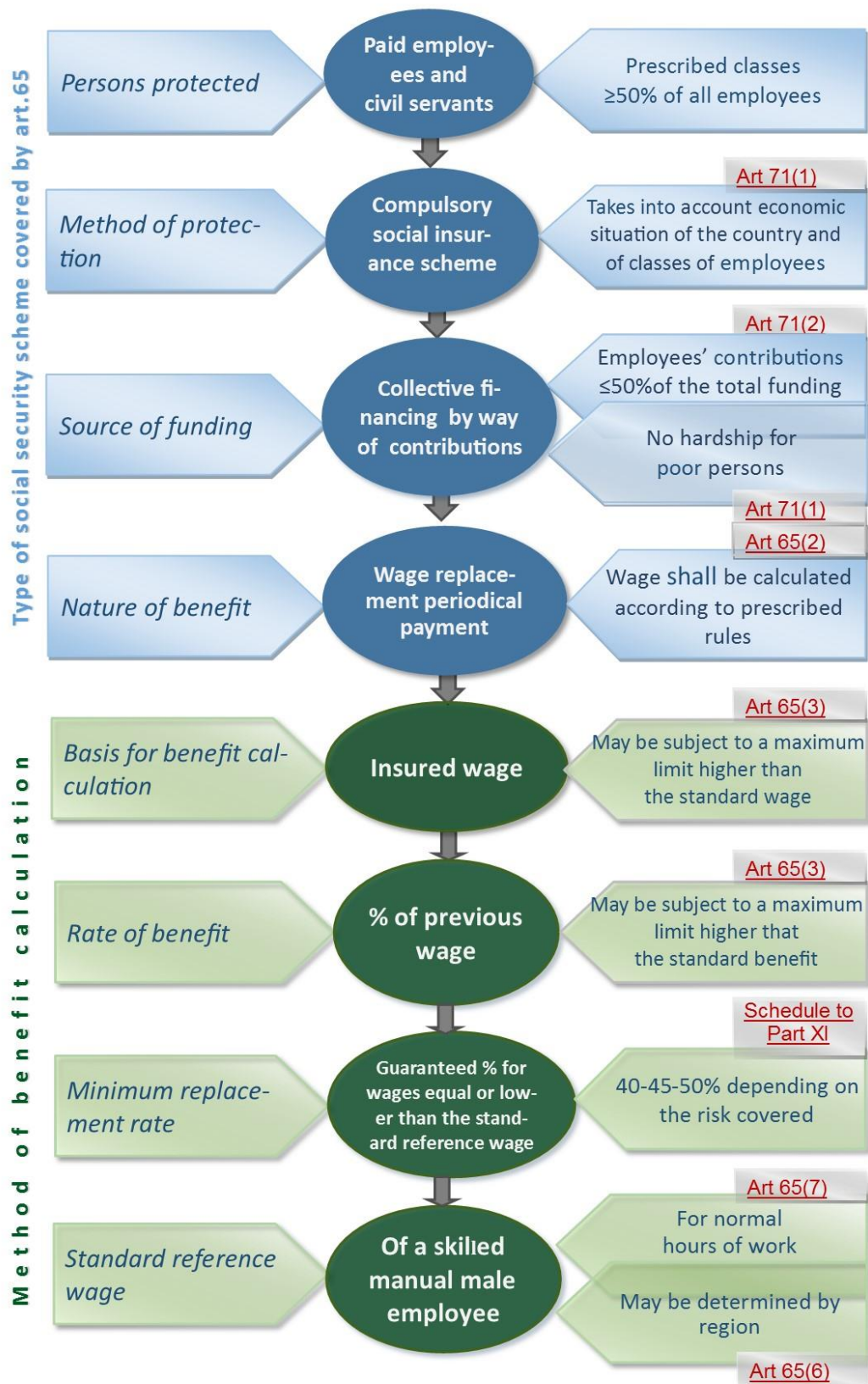


Fig. 2. Article 66: Type of social security schemes and method of benefit calculation

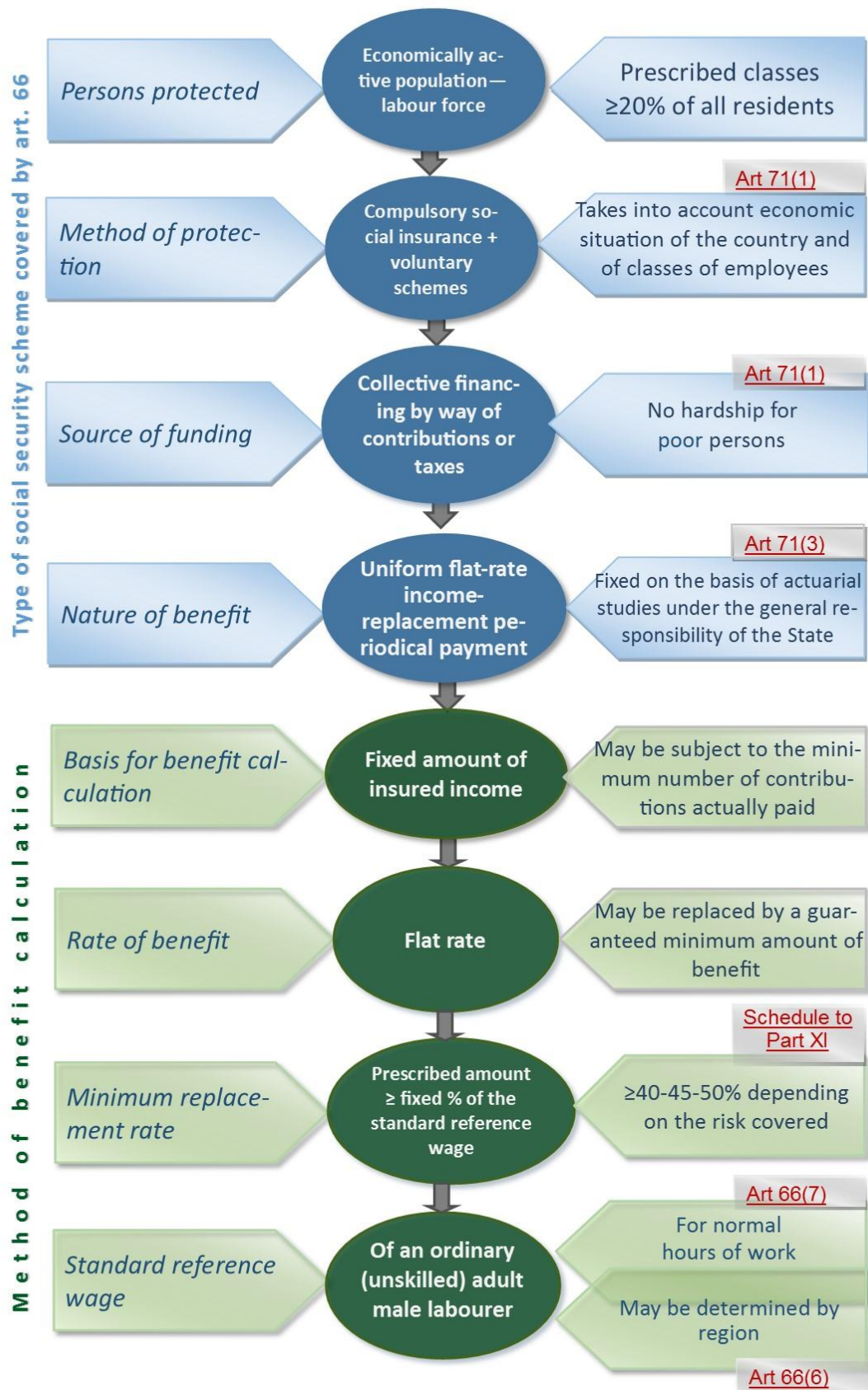
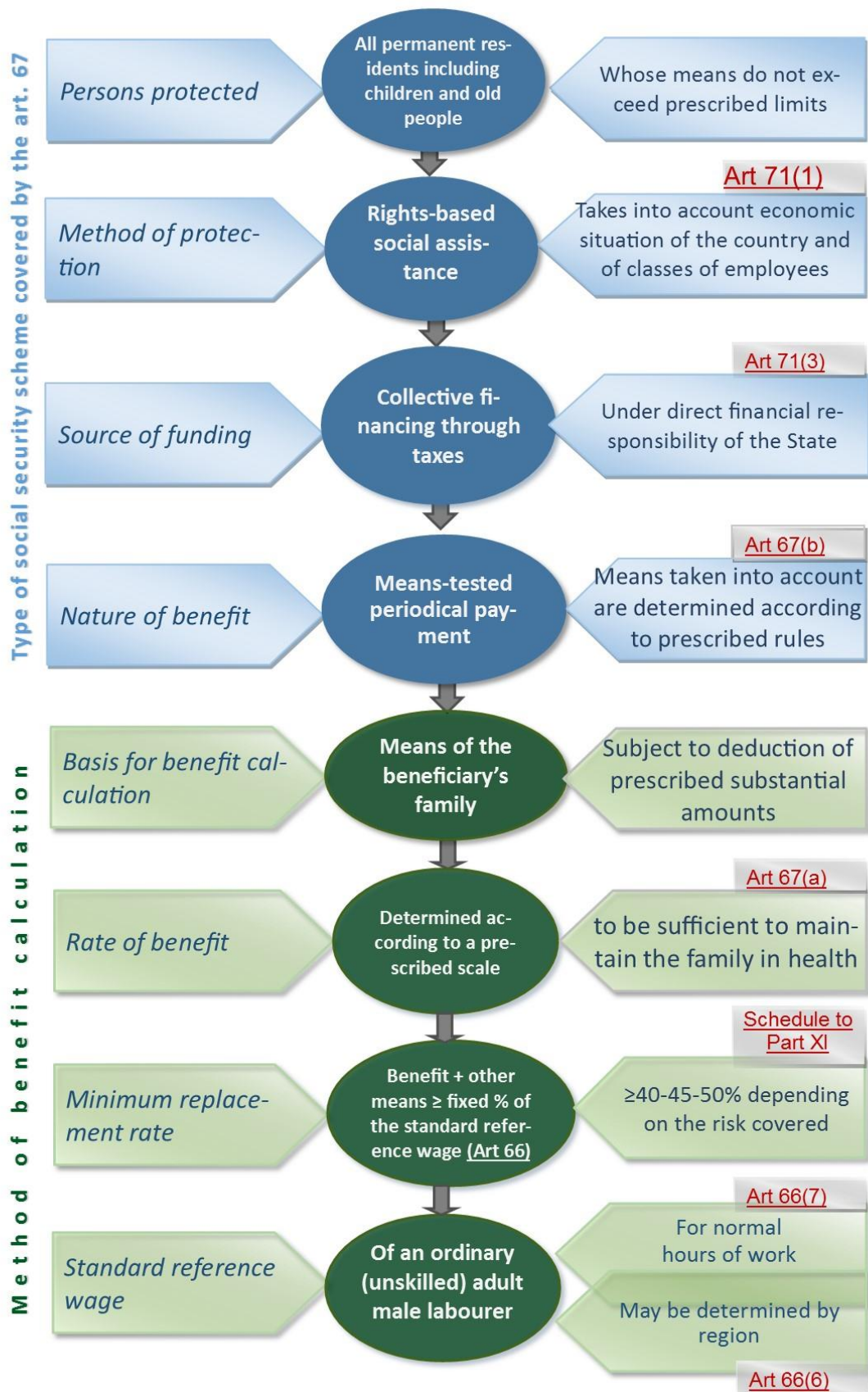


Fig. 3. Article 67: Type of social security schemes and method of benefit calculation



Extracts from the Government Reports (2011-2015) on the ECSS concerning the Reference Wage

Report of Greece under Article 74 of the European Code of Social Security and its Protocol (1 July 2014 - 30 June 2015)

***Part XI (Standards to be complied with by periodical payments), Articles 65 and 66.
Determination of the reference wage.***

Furthermore, the Committee asks the Government to confirm that the Labour Collective Agreement of 2010, to which it refers in 2014, is still valid and that the turners continue to receive wages at the level set in 2010. With these considerations in mind, the Committee requests the Government to review the method currently used for determining the reference wage of the standard beneficiary under Article 65 of the Code, as well as to also establish for the purpose of comparison the reference wage of an ordinary adult male labourer under Article 66. In doing so, the Government may wish to refer to the attached technical note prepared by the Office, which calculates for Greece all the options allowed by the Code for the same time period for which all relevant data is available (2010). Please update the statistical information used in the note, indicating the precise source of data for future reference.

According to the competent directorate of IKA-ETAM, the turner was selected as ordinary adult laborer (skilled worker), because it was a typical profession exercised by the majority of the labor force in our country, and it also met the requirements of both Articles 65 and 66.

The National General Collective Labour Agreement (E.G.S.S.E.) of 2010 referred to the standard beneficiary remains valid. For period examined, the National General Collective Labour Agreement was in force and is renewed and valid until 15/08/2015. The calculation of the reference wage is based on the Collective Labour Agreement of metal craftsmen.

The calculation of the wage reference pursuant to Article 65 (6) of the Code is the one already mentioned in the relevant Technical Memorandum for Greece.

About the alternative proposal to select another type of worker (skilled male worker in wholesale) under Article 65 (6b) we would like to inform you that the competent Directorate of IKA -ETAM (Actuarial and financial studies) does not have the ability to calculate the benefits to be paid in relation to this reference wage, since this wage is not defined in any collective labour agreement.

The second alternative proposal to select the unskilled male worker in wholesale under Article 66 (4b), is under examination from the competent Directorate of IKA -ETAM.

Report of Greece under Article 74 of the European Code of Social Security and its Protocol (1 July 2010 - 30 June 2011), p.35-37

Article 65

Part III, V, VIII:

i) Standard beneficiary: fitter or turner with wife after 30 years of insurance

Last earnings: 1462,21

Insurance class: 16

ii) Standard beneficiary: fitter or turner with wife after 15 years of insurance

Last earnings: 1331,26

Insurance class: 15

Part VI:

Standard beneficiary: Fitter or turner with wife and two children after one day of insurance

Last earnings: 1091,25

Insurance class: 13

Part IX:

Standard beneficiary: Fitter or turner with wife and two children after 15 years of insurance

Last earnings: 1331,26

Insurance class: 15

Part X:

Standard beneficiary: widow with two children after 15 years of insurance

Last earnings: 1331,26

Insurance class: 15

Report of Greece under Article 74 of the European Code of Social Security and its Protocol (1 July 2010 - 30 June 2011), p.14

On 31/12/2010 the unskilled worker's wage amounted to 33,04€. The number of the above mentioned unskilled worker's wages is increased by 6 wages for each underage child or child incapable for any gainful activity or studying in University including other higher schools, on condition that the child is younger than 24 years old.

Table 1. Calculation of the reference wage under all options permitted by articles 65-66 of the ECSS/C102

Articles in the ECSS/C.102	Comments	Reference wage: amount		
		ILO calculations ¹ -2010	Government ²	
Article 65 (para 6): a skilled manual male employee				
Option 1	Art.65 (6)a: a fitter or turner in the manufacture of machinery other than electrical machinery	occupations of fitter and turner can be found among skilled employees of ISCO 08 ³ (group 7)	N/A	fitter or turner (2010): Part III, V, VIII: 1462.2 euros (insurance class 16) Part IX, X, V (early retirement): 1331,26 euros (insurance class 15) Part VI: 1091,25 euros (insurance class 13)
Option 2	Art.65 (6)b: a person deemed typical of skilled labour	a skilled employee of the ISIC rev.4 ⁴ group with the highest number of male employees: typical skilled male worker in wholesale	1591 euros ⁵	
Option 3	Art.65 (6)c: a person whose earnings are equal to 125 per cent of the average earnings of all the persons protected	in countries where all employees are protected average wage is normally used in the economy	2180 euros ⁶ (full-time and part-time employees)	
Article 66 (para 4): an ordinary male labourer				
Option 4	Art.66 (4)a: a person deemed typical of unskilled labour in the manufacture of machinery other than electrical machinery	an employee of the ISIC rev.4 Manufacture of machinery (2-digit level of the classification: ISIC Rev.4 Section C. Manufacturing, code 28)	N/A	
Option 5	Art.66 (4)b: a person deemed typical of unskilled labour	an unskilled employee of the ISIC rev.4 group with the highest number of male employees: typical unskilled male worker in wholesale	1176euros ⁷	2010: 33,04€ per day *365 days / 12 months = 1004.97 euros per month

* Gross wages are used unless stated otherwise

¹ ILO calculations based on EUROSTAT data from Labour Force Survey LFS-2013 and SES-2010 (see detailed information further)

² Reference wage reported by the Government under ECSS and C.102

³ ISCO 08 – International Standard Classification of Occupations 2008 (detailed explanation to follow)
<http://www.ilo.org/public/english/bureau/stat/isco/isco08/>

⁴ ISIC rev.4 - International Standard Industrial Classification of All Economic Activities, Rev.4, 2008
<http://unstats.un.org/unsd/cr/registry/iscic-4.asp>

⁵ Structure of earnings survey (SES) – Eurostat, 2010 http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en

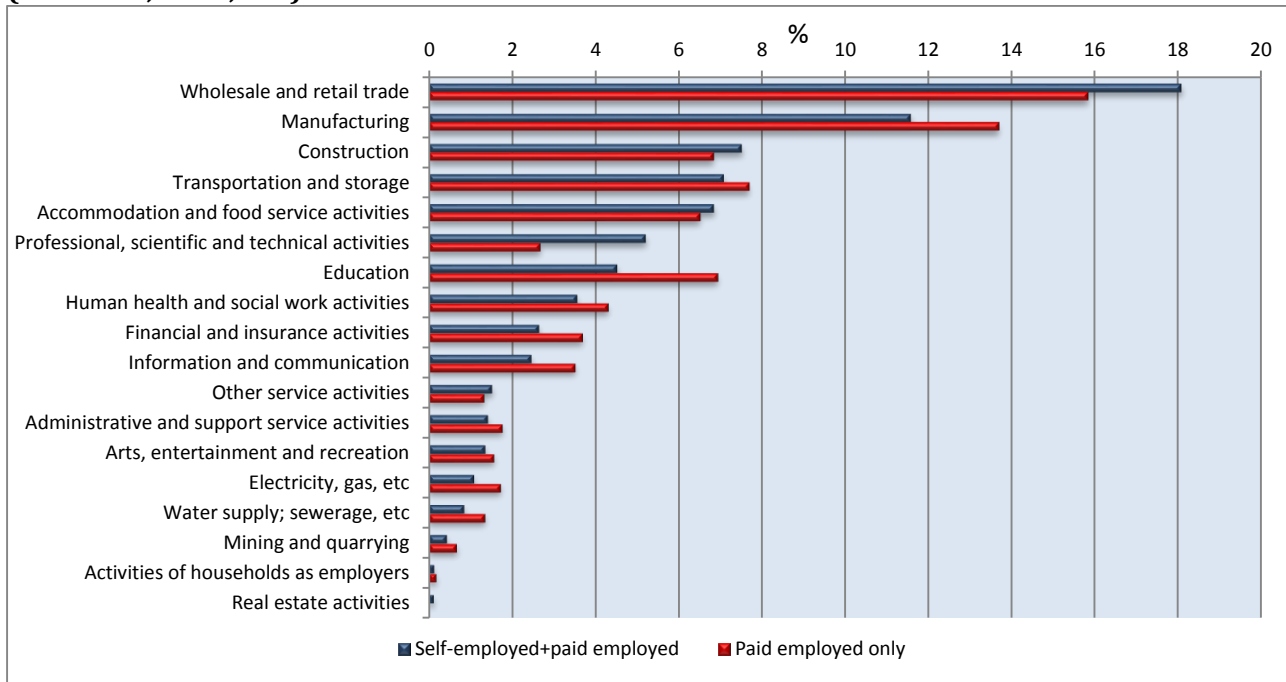
⁶ Structure of earnings survey – Eurostat, 2010 http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses_monthly&lang=en

⁷ Structure of earnings survey – Eurostat, 2010 http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en

ILO assessment of the options offered by articles 65-66:

OPTION 2 - a typical manual male employee is found in the sector with the highest number of employed males = Wholesale and retail trade

Fig.4. Share of employed males by economic activity in total male employment and share of males in paid employment by economic activity in total number of males in paid employment (ISIC rev.4, 2013, LFS)



Source: Eurostat LFS - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_egaps&lang=en

Fig 5. The average wage of a typical skilled/unskilled manual male employee is determined by cross-tabulating of the two classifications

- ISCO 08 – International Standard Classification of Occupations (group 7- skilled and 9 – ordinary)
- ISIC rev.4 - International Standard Industrial Classification of All Economic Activities, Rev.4, 2008



ISCO 08:

ISCO 08: Major group 7

Craft and related trades workers apply their specific knowledge and skills to produce or process goods. The tasks call for an understanding of all stages of the production process, the materials and tools used and the nature and purpose of the final product. Most occupations in this group require skills at the second ISCO level.

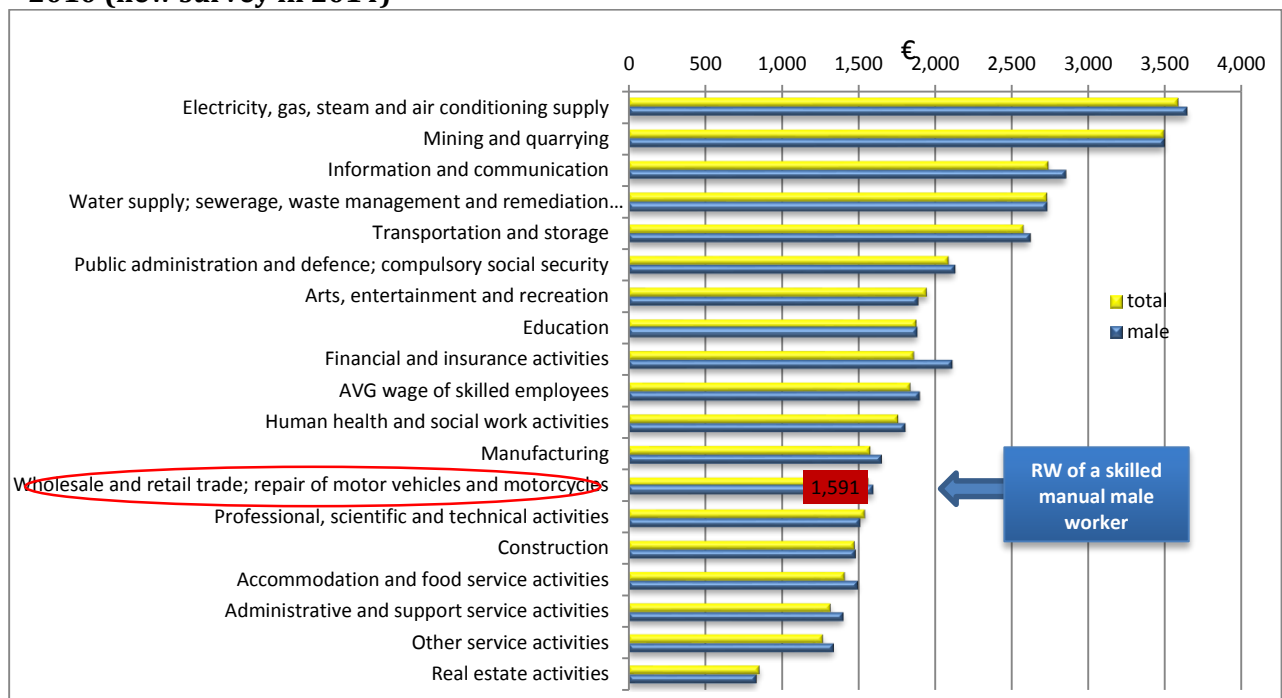
The work is carried out by hand and by hand-powered and other tools.

ISCO 08: Major group 9

Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

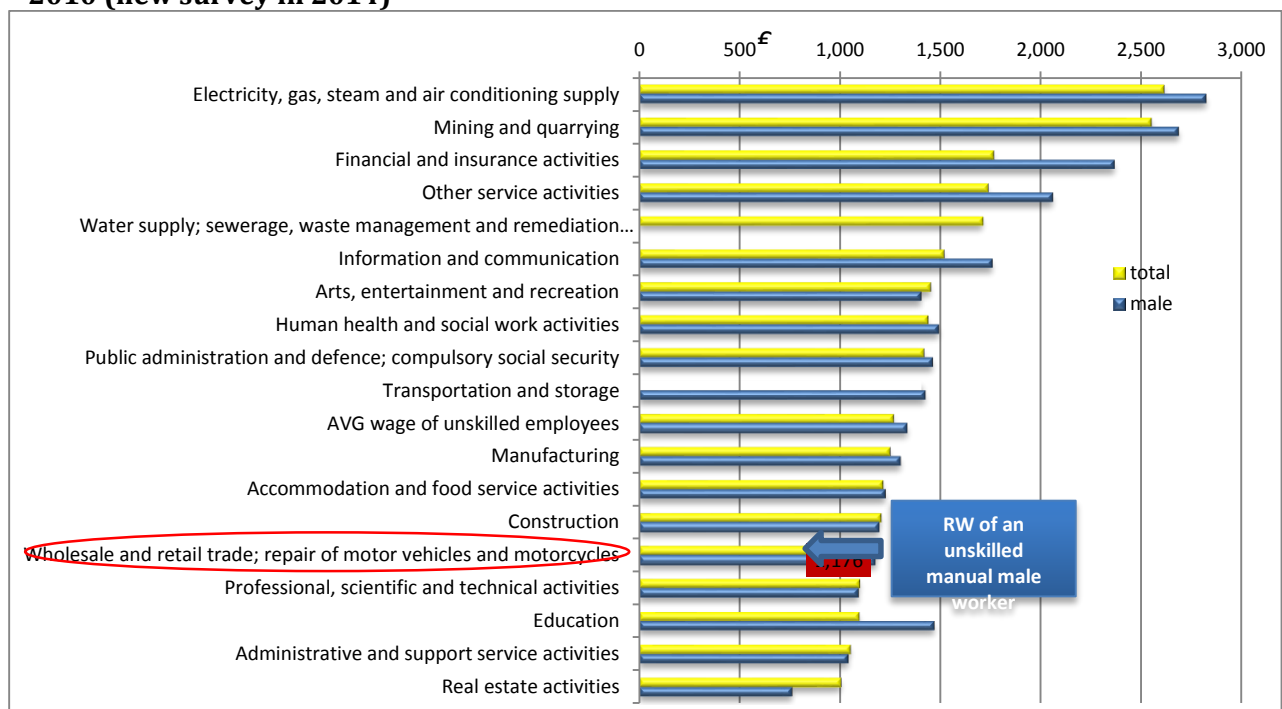
Most occupations in this major group require skills at first level of ISCO (involve physical and manual tasks, require only primary education at most)

Fig.6. Average monthly wages of skilled employees by economic activity, SES-Eurostat, 2010 (new survey in 2014)



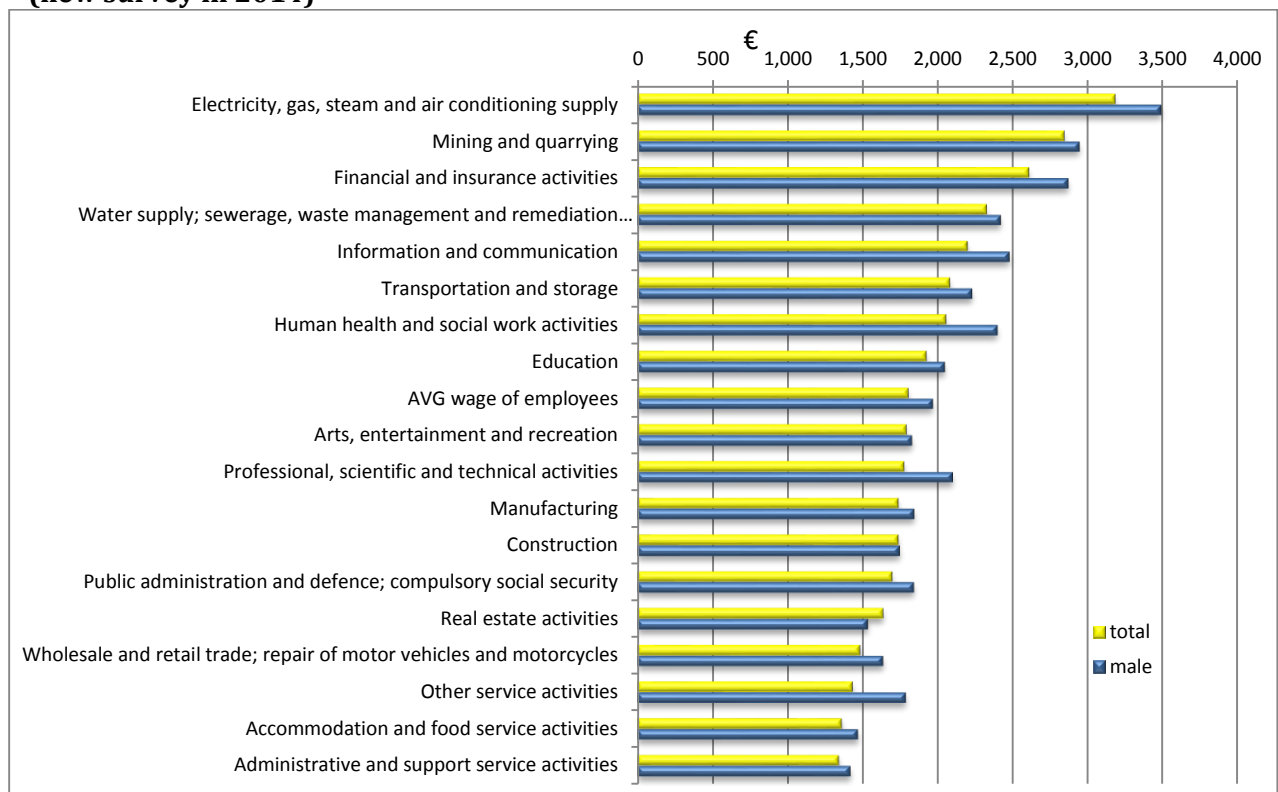
Source: Eurostat SES - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en

Fig.7. Average monthly wages of unskilled employees by economic activity, SES-Eurostat, 2010 (new survey in 2014)



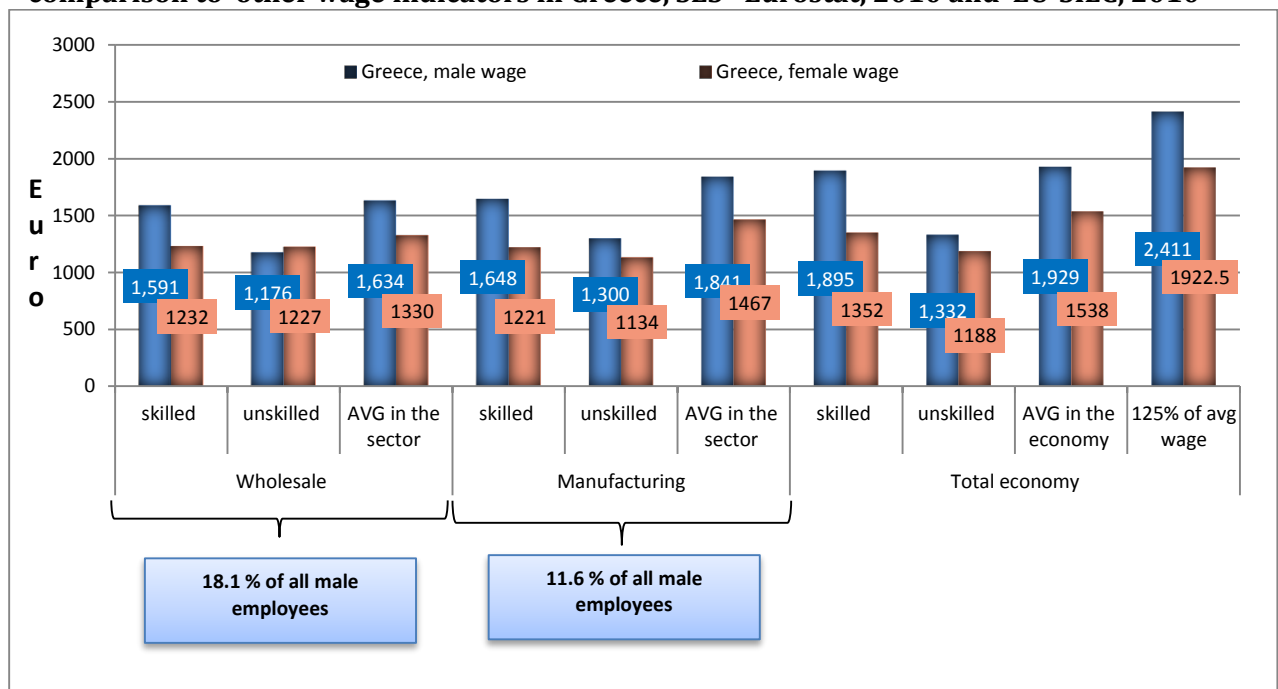
Source: Eurostat SES - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en

Fig.8. Average monthly wages of employees by economic activity, SES-Eurostat, 2010 (new survey in 2014)



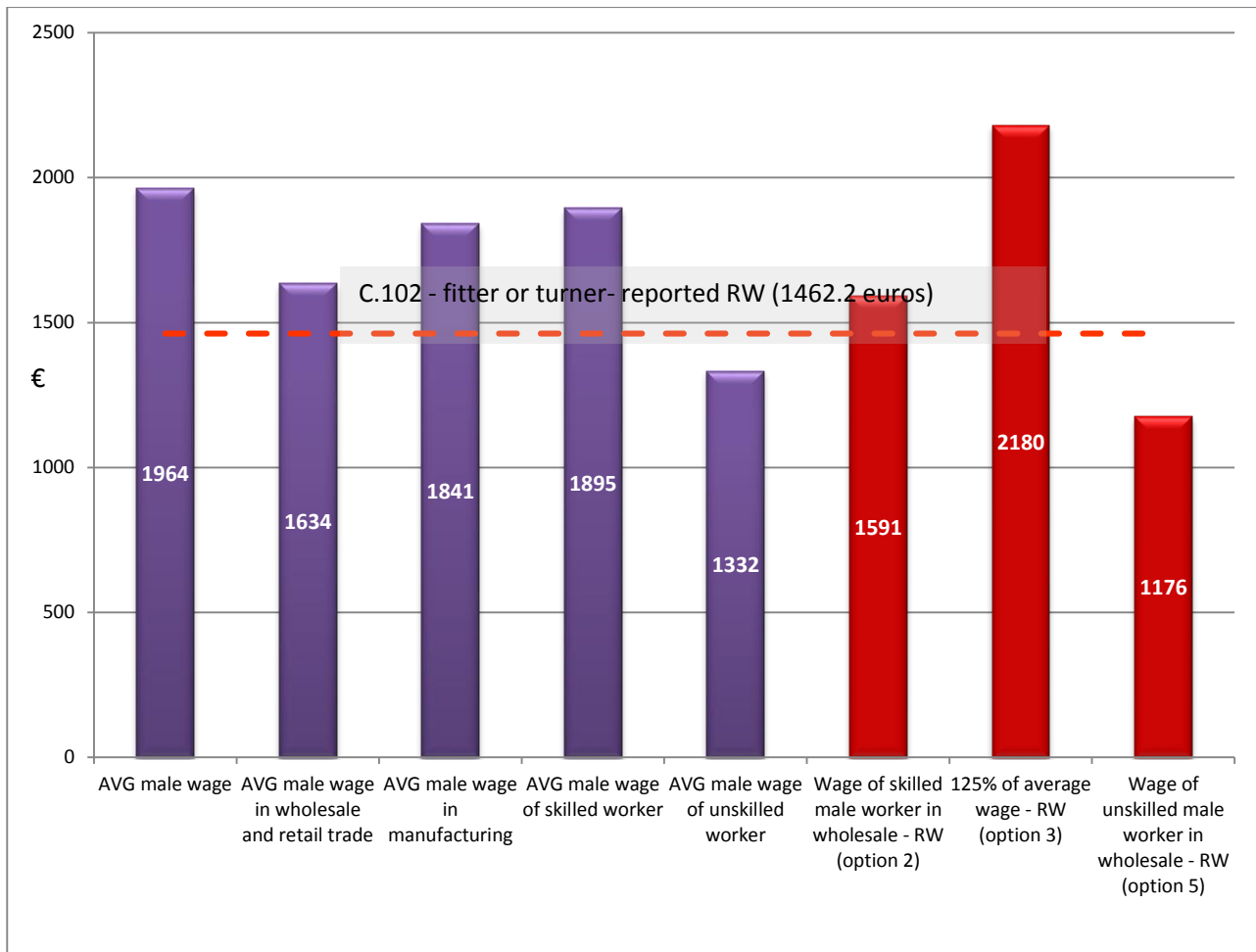
Source: Eurostat SES - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en

Fig.9. Average monthly wages of male and female skilled and unskilled employees in the 2 sectors (Wholesale and Manufacturing) with the highest number of male employees, in comparison to other wage indicators in Greece, SES -Eurostat, 2010 and EU-SILC, 2010



Source: Eurostat SES - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en and http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses_monthly&lang=en - 125% of average wage (include both full-time and part-time employees)

Fig.10. Comparison of the reported reference wage to other wage indicators in Greece, 2010



Source: Eurostat SES - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses10_48&lang=en and http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_ses_monthly&lang=en for option 3 – 125% of average wage (includes both full-time and part-time employees)

CHAPTER III. Integrated Management of compliance and reporting obligations of Greece under social security provisions of the ratified international treaties on social rights

- [Table 1. Up-to-date social security standards in force](#)
- [Table 2. Pending comments of the supervisory bodies](#)
- [Table 3. Up-to-date standards on which reports are due in 2016](#)
- [Table 4. Up-to-date standards on which reports are due in 2017](#)
- [Coordination of reporting between the ECSS and C102. Form for the annual report on the European Code of Social Security](#)
- [Fig. 1. Time management of the 5 years reporting cycle \(2011-2016/17\) on international and European social security standards](#)
- [Fig. 2. Time management for reporting on social security standards in 2016](#)

Table 1. Up-to-date social security standards in force

Social Human Rights	Right to health		Right to work		Right to just conditions of work	Right of the family and children to protection	Right of mothers to protection	Rights of persons with disabilities		Right to an adequate standard of living	Financing & Organization
International treaties											
ICECSR	Right to Social Security Art.9										
	Art.12		Art.6		Art.7§b	Art.10§1§3	Art.10§2			Art.7§a§ii, 11§1	Art.2§1, 4, 5
UN Conventions					CRPD	CRC	CEDAW	CRPD			
ESC (1961)	Art.11, 13§1		Art.1§1§3		Art.3§1§2, 15§2	Art.16	Art.8§1	Art.15§1		Art.4§1, 13§1§2§3, 14	
	Right to Social Security Art.12§1§2§3										
Protocol	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>Schedule to XI</i>	
ECSS	<i>Medical care Part II</i>	<i>Sickness benefit Part III</i>	<i>Unemployment benefit Part IV</i>	<i>Old-age benefit Part V</i>	<i>Employment injury benefit Part VI</i>	<i>Family benefit Part VII</i>	<i>Maternity benefit Part VIII</i>	<i>Invalidity benefit Part IX</i>	<i>Survivor's benefit Part X</i>	<i>Level of benefits Part XI</i>	<i>Financing & Organization Part XII</i>
C102	Part II	Part III	Part IV	Part V	Part VI	Part VII	Part VIII	Part IX	Part X	Part XI	Part XIII
ILO Conventions					C121		C103			C121 Art.19-21	C121 Art.22-26
				C128 Part III				C128 Part II	C128 Part IV	C128 Part V	C128 Part VI
	C130 Part II	C130 Part III								C130 Part III	C130 Part IV
			C168				C183 Art.6,7			C168 Art.15,16	C168 Part VIII

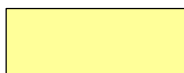


Social Security Standards in force for Greece



Social Security Standards not in force

Social Human Rights	Right to health		Right to work		Right to just conditions of work	Right of the family and children to protection	Right of mothers to protection	Rights of persons with disabilities		Right to an adequate standard of living	Financing & Organization
International treaties											
ICECSR	Right to Social Security Art.9										
	Art.12		Art.6		Art.7§b	Art.10§1§3	Art.10§2			Art.7§a§ii, 11§1	Art.2§1 Art.4, 5
UN Conventions					CRPD	CRC	CEDAW	CRPD			
ESC (1961)	☹️ Art.11§3		☹️ Art.1§1		☹️ Art.3§1§2, 15§2	☹️ Art.16	☹️ Art.8§1	Art.15§1		☹️ Art.4§1	
	Art.11§1§2 13§1		Art.1§3							Art.13§1§2 §3, 14	
	☹️ Right to Social Security Art.12§1§3										
	Art.12§2										
Protocol	II	III	IV	V	VI	VII	VIII	IX	X	Schedule to XI	
ECSS	Medical care Part II	Sickness benefit Part III	Unemployment benefit Part IV	Old-age benefit Part V	Employment injury benefit Part VI	Family benefit Part VII	Maternity benefit Part VIII	Invalidity benefit Part IX	Survivor's benefit Part X	Level of benefits Part XI	Financing & Organization Part XII
C102	Part II	Part III	Part IV	Part V	Part VI	Part VII	Part VIII	Part IX	Part X	Part XI	Part XIII
ILO Conventions					C121		C103			C121 Art.19-21	C121 Art.22-26
				C128 Part III				C128 Part II	C128 Part IV	C128 Part V	C128 Part VI
	C130 Part II	C130 Part III								C130 Part III	C130 Part IV
			C168				C183 Art.6,7			C168 Art.15,16	C168 Part VIII



Pending comments of the supervisory bodies



critical comments or non-compliance

Table 2. Pending comments of the supervisory bodies

Table 3. Up-to-date standards on which reports are due in 2016

Social Human Rights	Right to health		Right to work		Right to just conditions of work	Right of the family and children to protection	Right of mothers to protection	Rights of persons with disabilities		Right to an adequate standard of living	Financing & Organization
International treaties											
ICECSR	Right to Social Security Art.9										
	Art.12		Art.6		Art.7§b	Art.10§1§3	Art.10§2			Art.7§a§ii, 11§1	Art.2§1, 4, 5
UN Conventions					CRPD	CRC	CEDAW	CRPD			
ESC (1961)	Art.11, 13§1		Art.1§1§3		Art.3§1§2	Art.16	Art.8§1	Art.15§1		Art.4§1	
					Art. 15§2					Art.13§1§2 §3, 14	
Right to Social Security Art.12§1§2§3											
Protocol	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>Schedule to XI</i>	
ECSS	<i>Medical care Part II</i>	<i>Sickness benefit Part III</i>	<i>Unemployment benefit Part IV</i>	<i>Old-age benefit Part V</i>	<i>Employment injury benefit Part VI</i>	<i>Family benefit Part VII</i>	<i>Maternity benefit Part VIII</i>	<i>Invalidity benefit Part IX</i>	<i>Survivor's benefit Part X</i>	<i>Level of benefits Part XI</i>	<i>Financing & Organization Part XII</i>
C102	Part II	Part III	Part IV	Part V	Part VI	Part VII	Part VIII	Part IX	Part X	Part XI	Part XIII
ILO Conventions					C121		C103			C121 Art.19-21	C121 Art.22-26
				C128 Part III				C128 Part II	C128 Part IV	C128 Part V	C128 Part VI
	C130 Part II	C130 Part III								C130 Part III	C130 Part IV
			C168				C183 Art.6,7			C168 Art.15,16	C168 Part VIII



Report in 2016

Social Human Rights	Right to health		Right to work		Right to just conditions of work	Right of the family and children to protection	Right of mothers to protection	Rights of persons with disabilities		Right to an adequate standard of living	Financing & Organization
International treaties											
ICECSR	Right to Social Security Art.9										
	Art.12		Art.6		Art.7§b	Art.10§1§3	Art.10§2			Art.7§a§ii, 11§1	Art.2§1, 4, 5
UN Conventions					CRPD	CRC	CEDAW	CRPD			
ESC (1961)	Art.11, 13§1		Art.1§1§3		Art.3§1§2, 15§2	Art.16	Art.8§1	Art.15§1		Art.4§1	
	Right to Social Security Art.12§1§2§3										
Protocol	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>Schedule to XI</i>	
ECSS	<i>Medical care Part II</i>	<i>Sickness benefit Part III</i>	<i>Unemployment benefit Part IV</i>	<i>Old-age benefit Part V</i>	<i>Employment injury benefit Part VI</i>	<i>Family benefit Part VII</i>	<i>Maternity benefit Part VIII</i>	<i>Invalidity benefit Part IX</i>	<i>Survivor's benefit Part X</i>	<i>Level of benefits Part XI</i>	<i>Financing & Organization Part XII</i>
C102	Part II	Part III	Part IV	Part V	Part VI	Part VII	Part VIII	Part IX	Part X	Part XI	Part XIII
ILO Conventions					C121		C103			C121 Art.19-21	C121 Art.22-26
				C128 Part III				C128 Part II	C128 Part IV	C128 Part V	C128 Part VI
	C130 Part II	C130 Part III								C130 Part III	C130 Part IV
			C168				C183 Art.6,7			C168 Art.15,16	C168 Part VIII



Report in 2017

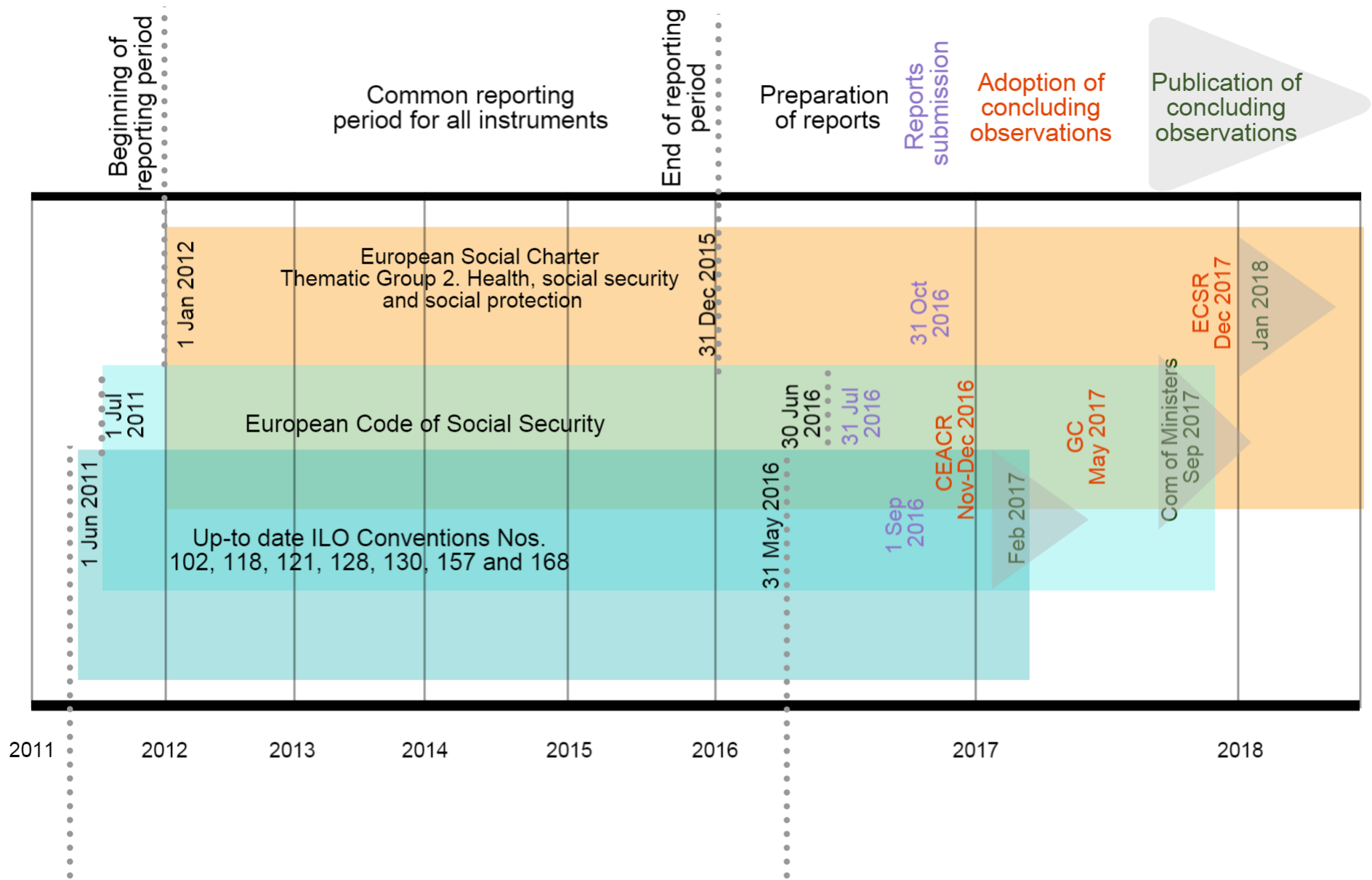
Table 4. Up-to-date standards on which reports are due in 2017

Coordination of reporting between the ECSS and C102
Form for the annual report on the European Code of Social Security (as modified
by the Protocol additional thereto)

If a Government is bound by similar obligations as a result of having ratified the Social Security (Minimum Standards) Convention adopted by the 1952 General Conference of the International Labour Organisation, it may communicate of the Council of Europe copies of the reports it submit to the International Labour Office on the implementation of this Convention.

Council of Europe, Strasbourg 1967

Fig. 1. Time management of the 5 years reporting cycle (2011-2016/17) on international and European social security standards



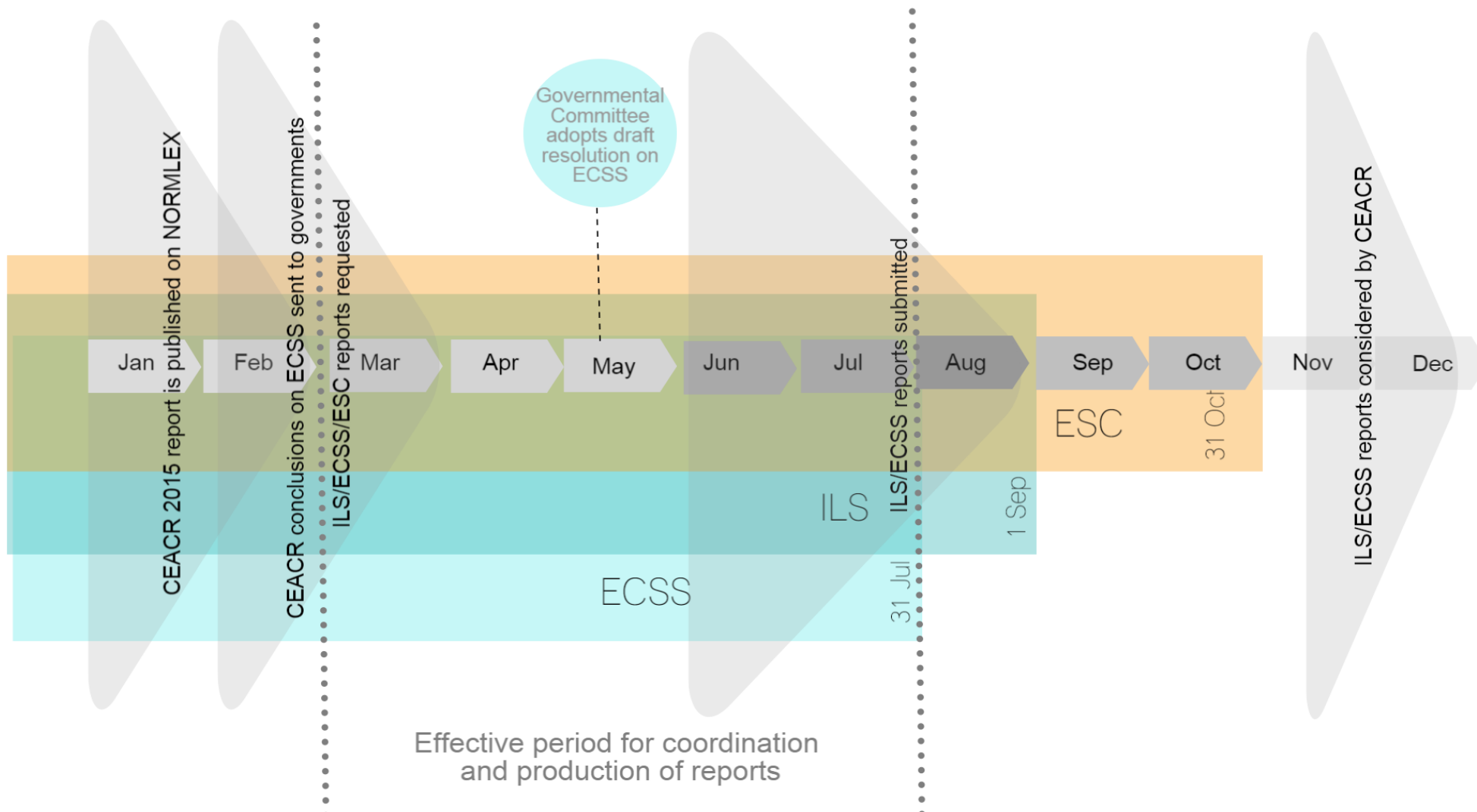


Fig. 2. Time management for reporting on social security standards in 2016

Chapter IV. Concluding observations of the supervisory bodies concerning provisions of the ratified international treaties on social rights and statements of other international bodies reviewing national economic and social policy

- [Table 1. International treaties on social rights ratified by Greece](#)
 - [Table 2. Monitoring Mechanisms of State Party Compliance and Reporting Obligations](#)
1. **[United Nations](#)**
 - [International Covenant on Economic, Social and Cultural Rights](#)
 - [Convention on the Rights of the Child](#)
 - [Convention on the Elimination of All Forms of Discrimination against Women](#)
 - [Convention on the Right of Persons with Disabilities](#)
 2. **[Council of Europe](#)**
 - [European Social Charter](#)
 - [European Code of Social Security](#)
 3. **[International Labour Organization](#)**
 - [Social Security \(Minimum Standards\) Convention, 1952 \(No.102\)](#)
 - [Maternity Protection Convention \(Revised\), 1952 \(No. 103\)](#)
 4. **[EU Country-Specific Recommendations: 2015](#)**

Table 1. In force international treaties on social rights ratified by Greece

Body	International Treaty	Entry into force for Greece	Next report due on
United Nations	ICESCR	16 May 1985	Submitted 31 Aug 2012, considered 12 Oct 2015
	Convention on the Rights of the Child	11 May 1993	09 Dec 2017
	Convention on the Elimination of All Forms of Discrimination against Women	7 Jun 1983	1 Mar 2017
	Convention on the Rights of People with Disabilities	31 May 2012	Submitted 1 Jun 2015
Council of Europe	European Code of Social Security	10 Jun 1982	1 Jul - 31 Aug 2016
	European Social Charter (1961)	6 Jun 1984	31 Oct 2015
International Labour Organization	Convention 102	16 Jun 1955	1 Jun - 1 Sep 2016
	Convention 103	18 Feb 1983	1 Jun - 1 Sep 2018
	Convention 121		
	Convention 128		
	Convention 130		
	Convention 168		
	Convention 183		
European Union	Country-Specific Recommendations		

Table 2. Monitoring Mechanisms of State Party Compliance and Reporting Obligations

Instrument	Supervisory body	Type of a State party report/Reporting cycle	Comments of a supervisory body
International Covenant on Economic, Social and Cultural Rights (ICESCR)	Committee on Economic, Social and Cultural Rights (CESCR)	Periodic reports – every 5 years; initial report – within one year after the entry into force (Art.17)	Concluding observations of the CESCR
Convention on the Rights of the Child	Committee on the Rights of the Child (CRC)	Periodic reports – every 5 years; initial report – within two years after the entry into force (Art.44)	Concluding observations of the CRC
Convention on the Elimination of All Forms of Discrimination against Women	Committee on the Elimination of Discrimination against Women (CEDAW)	Periodic reports – every 4 years; initial report – within one year after the entry into force (Art.18)	Concluding observations of the CEDAW
Convention on the Rights of People with Disabilities	Committee on the Rights of Persons with Disabilities (CRPD)	Periodic reports – every 4 years; initial report – within two years after the entry into force (Art.35)	Concluding observations of the CRPD
European Code of Social Security (ECSS)	ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) ; European Committee on Social Rights (ECSR) ; Governmental Committee of the European Social Charter and the European Code of Social Security; Committee of Ministers of the Council of Europe.	Full reports – every five years in conjunction with the ILO Convention 102; Annual reports every year (Art.74).	Conclusions of the CEACR; Report and recommendations of the GC; Resolutions of the Committee of Ministers.
European Social Charter/ Revised European Social Charter (ESC)	European Committee on Social Rights (ECSR) ; Governmental Committee (GC) of the European Social Charter and the European Code of Social Security; Committee of Ministers of the Council of Europe.	Normal reports – annually on one of four thematic groups; simplified reports – every two years in case of acceptance of the collective complaints procedure.	Conclusions (national reports) and decisions (collective complaints) of the ECSR; Report and recommendations of the GC; Resolutions of the Committee of Ministers.
ILO Conventions (C102, C121, C128, C130, C168, C183)	Committee of Experts on the Application of Conventions and Recommendations (CEACR) ; Conference Committee on the Application of Standards (CAS) .	Five-year cycle – simplified reports under the ILO technical conventions; detailed report – one year following the entry into force.	Observations and direct requests of the CEACR; Conclusions of the CAS.

1. United Nations

International Covenant on Economic, Social and Cultural Rights – Concluding observations 2015

(the numeration of comments is kept in accordance to the original)

[UN Office of the High Commissioner for Human Rights website link, Treaty bodies database](#)

Obligations of the State party under the Covenant in the context of the economic crisis

7. The Committee notes with concern that, despite the measures taken by the State party to mitigate the economic and social impact of the austerity measures adopted in the framework of the memorandums of understanding in 2010, 2012 and 2015, the financial and economic crisis has had a severe impact on the enjoyment of economic, social and cultural rights, particularly by certain disadvantaged and marginalized groups with regard to the rights to work, to social security and to health. The Committee notes with interest the information provided by the State party's delegation that efforts have been and will continue to be taken to uphold the rights protected under the Covenant, in the framework of negotiation and conclusion of agreements with creditors and in their implementation (arts. 2 (1) and (2), 6, 7, 9 and 11-14).

8. The Committee reminds the State party of its obligation under the Covenant to respect, protect and fulfil economic, social and cultural rights progressively, to the maximum of its available resources. While acknowledging that certain adjustments are at times inevitable, the Committee draws the State party's attention to the Committee's open letter of 16 May 2012 to States parties on economic, social and cultural rights in the context of the economic and financial crisis, in particular to the recommendations contained therein with regard to the requirements resulting from the Covenant regarding the applicability of austerity measures. In that context, the Committee recommends that the State party review the policies and programmes adopted in the framework of the memorandums of understanding implemented since 2010, and any other subsequent post-crisis economic and financial reforms, with a view to ensuring that austerity measures are progressively waived and the effective protection of the rights under the Covenant is enhanced in line with the progress achieved in the post-crisis economic recovery. The State party should further ensure that its obligations under the Covenant are duly taken into account when negotiating financial assistance projects and programmes, including with international financial institutions.

Unemployment

13. Despite the measures taken by the State party, the Committee is concerned that the unemployment rate is exceptionally high, disproportionately affecting the youth, whose unemployment rate is around 50 per cent. It is particularly concerned about long-term unemployment, which affects 73 per cent of all unemployed persons in the State party. While noting that the long-term unemployment allowance is now paid to all categories of unemployed people, the Committee is concerned that accessing the allowance is procedurally difficult (art. 6). **14. The Committee recommends that the State party step up its efforts to reduce unemployment, in particular unemployment among young persons and women, with a**

view to moving progressively towards the full realization of the right to work, inter alia, by: (a) Strengthening the programmes and strategies aimed at reducing unemployment rates and ensuring that policies to promote employment effectively target groups disproportionately affected by unemployment; (b) Addressing the causes of youth unemployment, creating employment opportunities for young people and enhancing the quality of technical and vocational training and education, taking into account labour market opportunities, including by implementing the National Youth Guarantee Implementation Plan, which entered into force in 2013; (c) Reinforcing the support for jobseekers, with special focus on the longterm unemployed, including by providing them with adequate training to enhance their skills; (d) Continuing to assess the impact of the economic and fiscal measures taken during the financial and economic crisis on the labour market and, in particular, on the enjoyment of the right to work. The Committee refers the State party to its general comment No. 18 (2005) on the right to work.

Equality between men and women

15. Despite the steps taken to promote equality between men and women, the Committee is concerned about the persistent and significant wage gap between women and men and women's overrepresentation in part-time employment. It remains concerned that women are still underrepresented in all levels of political and public life, including in decision-making positions. The Committee is concerned that in the election of September 2015 the representation of women in the Hellenic Parliament reached only 19 per cent and that the new Government has seven women in the Cabinet, despite the one-third quota for women candidates (art. 3).

Just and favourable conditions of work

17. The Committee takes note of the explanation provided by the State party on the guarantees in place against the practice of replacing fixed-term employment contracts by part-time contracts, but remains concerned at reports indicating the persistence of such practice and at the negative impact this may have on the enjoyment by workers of their rights (art. 7).

18. The Committee recommends that the State party take all appropriate measures to ensure that guarantees in place are applied to prevent the practice of replacing fixed-term contracts by part-time contracts and other flexible forms of employment with lower pay, including by creating decent work opportunities that offer job security and adequate protection of workers, with a view to respecting workers' labour rights.

Minimum wage

19. Despite the State party's declared intention to raise the minimum wage, the Committee is concerned about the reductions of the minimum wage resulting from the austerity measures taken, particularly in respect of young workers' salaries, which were disproportionately affected. The Committee is concerned that the current level of the minimum wage is not sufficient to provide workers and their families with a decent living (art. 7). **20. The Committee recommends that the State party take the steps necessary to ensure that all workers**

receive a minimum wage that enables them to ensure a decent living for themselves and their families, and that it is periodically reviewed and adjusted. In this regard, the Committee reminds the State party of its obligations to comply with the Covenant and ensure that austerity measures are progressively waived for the effective protection of article 7 of the Covenant.

Social security

23. The Committee is concerned about the restructuring of the State party's social security system that was carried out as a consequence of the austerity measures implemented and that led to drastic cuts in social security benefits and restrictive entitlements and conditions. It is also concerned that the current coverage and benefits are inadequate to ensure a decent living for the recipients and members of their families and are not in line with article 9 of the Covenant. The Committee is further concerned about the insufficient assistance provided to persons whose benefits have been reduced or discontinued and at the cuts and stringent terms and conditions imposed on noncontributory old-age benefits, which have a negative impact on the living conditions of older persons and their families (art. 9).

24. The Committee recommends that the State party reconsider cuts to benefits from non-contributory schemes insofar as they affect the most disadvantaged and marginalized groups, and reverse the cuts on contributory social security benefits as soon as possible. Referring the State party to the Committee's general comment No. 19 (2007) on the right to social security, the Committee recommends that the State party adopt a human rights-based approach in assessing the impact of cuts on benefits and provide disaggregated statistics in its next periodic report on how the austerity measures have affected the enjoyment of the right to social security.

Poverty

29. The Committee is concerned that, despite the State party's efforts to combat poverty, including through the national strategy for social integration, the population at risk of poverty or social exclusion increased sharply since 2010, reaching 36 per cent in 2013. The Committee is also concerned about the high poverty rates among the most disadvantaged and marginalized individuals and groups. It is further concerned that the proportion of persons at risk of poverty or social exclusion who are foreign nationals resident in Greece reached 68.3 per cent in 2013 (art. 11).

30. The Committee draws the State party's attention to its statement on poverty and the International Covenant on Economic, Social and Cultural Rights (E/C.12/2001/10). The Committee recommends that the State party strengthen its efforts to combat poverty, focusing particularly on the most disadvantaged and marginalized individuals and groups. The State party should guarantee that its social assistance system targets the poor effectively. It should also ensure that adequate financial resources are allocated, including through international assistance and cooperation, for the effective implementation of poverty reduction programmes and that the programmes are adjusted accordingly when measures taken do not achieve the expected results.

Health-care system

35. The Committee is concerned about the severe impact of the financial crises on the health system, especially in the mental-health sector, which led to a decrease in health expenditure and critical understaffing of the health system. It notes the explanation provided by the delegation, but is concerned that asylum seekers and undocumented migrants continue to encounter difficulties in gaining access to health-care facilities, goods, services and information (art. 12).

36. Taking into account its general comment No. 14 (2000) on the right to the highest attainable standard of health, the Committee recommends that the State party: (a) Progressively increase health-care expenditure as a proportion of gross domestic product with a view to complying with its obligation to fulfil the right to health under the Covenant and the State party's Constitution; (b) Take effective measures to ensure that there are sufficient health-care professionals, including mental-health staff, to meet the demands in medical treatment; (c) Take steps to ensure that all persons belonging to disadvantaged and marginalized groups, in particular asylum seekers and undocumented migrants and members of their families, have access to basic health care, including by guaranteeing health examinations to such persons upon their arrival in the State party and ensuring the availability of translation services and information on health-care services; (d) Take measures to further improve the infrastructure of the primary health-care system.

Convention on the Rights of the Child – Concluding observations 2012

[UN OHCHR website link, Treaty bodies database](#)

Standard of living

58. The Committee notes that the fight against child poverty is one of the three main priorities of the State party in the field of social integration and social protection, and also notes the target set to lower the risk of poverty from 23.6 per cent to 18 per cent by 2020. The Committee, however, expresses its deep concern at the effects of the current crisis and increasing child poverty rates, as well as at the need for more social services to assist families. The Committee expresses its concern that many Roma continue to live in housing that fails to meet minimum standards of habitability and infrastructure, despite the adoption in 2002 of the Integrated Action Plan on the social integration of the Greek Roma and the amendment of Law No. 3448/2006 on qualification of local town plans on the grounds of emergency housing rehabilitation programmes for vulnerable groups of the society.

59. The Committee recommends that the State party design public policies aimed particularly at addressing, both in the short-term and in a sustained manner, the problem of increasing child poverty. These policies must be capable of effectively coordinating actions at the national, regional and local levels, and actions in different areas (particularly economy, health care, housing, social policy and education) that are particularly relevant to children, and must include the participation of children in its development.

Convention on the Elimination of All Forms of Discrimination against Women – Concluding observations 2013

[UN OHCHR website link, Treaty bodies database](#)

Employment

28. The Committee is concerned that the recent high unemployment figures for women, over 31 per cent compared with 24 per cent for men, and the high hidden unemployment among women show that women are becoming highly marginalized on the labour market. The Committee also remains concerned at the persistent vertical and horizontal segregation of occupations and the wage gap between women and men. The Committee is concerned about the potential negative impact on women of Act No.4024 of 27 October 2011, which introduced a new public service statute, a new job classification and a new harmonized wage scale resulting in wage cuts of up to 50 per cent in certain cases. The Committee is further concerned that the slashing of pensions has negatively impacted the pension for widows and some other groups of women. The Committee is also concerned that Act No.3896/2010 and 3996/2011 against unfair dismissals and the extension of the period during which working mothers cannot be dismissed after their return from maternity leave to 18 months, has resulted in them being offered part time and rotation work in many cases with reduced levels of pay. The Committee is concerned that the dismantling of the social fund (OEE) and the workers' housing organization (OEK) as social dialogue organizations has had a negative impact on housing services and resulted in significant interruptions of the operation and maintenance of nurseries and child-care facilities. The Committee is also concerned at the absence of statistical data disaggregated by sex on complaints related to gender-based discrimination, sexual harassment at the workplace, as well as at the lack of data on the situation of employment among the Muslim minority of Thrace and Roma women.

Disadvantaged groups of women

32. The Committee is concerned about the social exclusion and vulnerability of women belonging to the Muslim community in Thrace, Roma women, migrant women, rural women, as well as about obstacles preventing them from enjoying basic rights, such as access to health-care services, social benefits, education and participation in political and public life. The Committee is further concerned at the absence of detailed statistical information and data disaggregated by sex, geographical location and minority on the situation of disadvantaged groups of women.

33. The Committee recommends that the State party:

(a) Take all necessary measures to improve the economic situation of disadvantaged groups of women, thereby eliminating their vulnerability to exploitation, and to improve their access to health-care services and social benefits, irrespective of their status;

(b) Establish mechanisms to monitor regularly the impact of social and economic policies on disadvantaged groups of women;

(c) Provide comprehensive information and statistical data, disaggregated by sex, geographical location and minority, on disadvantaged groups of women, in particular, on

women belonging to the Muslim minority in Thrace, Roma women, migrant women and rural women.

Convention on the Right of Persons with Disabilities – Concluding observations

No concluding observations available yet.

2. Council of Europe

European Social Charter

[Official website of the European Social Charter, link to conclusions](#)

Article 1 – Right to work – Conclusions 2012

Paragraph 1 - Policy of full employment

Employment situation

The employment rate declined from 61.4% to 59.6% between 2007 and 2010. The Committee notes that the level of employment remains low when compared to the EU-27 average (which was 64.1% in 2010). As regards unemployment, a relatively high increase was noted, from 8.3% to 12.6% between 2007 and 2010 (standing above the EU-27 average of 9.7% in 2010). Young people were largely affected by the recession, with the youth unemployment rate rising to 32.8% in 2010 (from 22.9% in 2007). The long-term unemployment rate (as a percentage of all unemployed persons) slightly decreased from 49.9% in 2007 to 45.0% in 2010 (but remained above the EU-27 average of 39.9%). The employment rate of women remained low, standing at 51.7% in 2010 (compared to an EU-27 average of 62.1%).

The Committee notes that the labour market situation in Greece deteriorated during the reference period as a result of the economic crisis, as shown particularly by the increase in the unemployment rates mentioned above. Moreover, the overall employment rate, as well as that of women, remains low.

Employment policy

The Committee notes from Eurostat that the activation rate in Greece (measured as participants in active measures per 100 persons wanting to work) was 15.5% in 2009. This was below the EU-27 average that year, which stood at 28.9%. According to Eurostat, public expenditure on active labour market policies in Greece amounted to 0.22% of GDP in 2009, which was below the average of the EU-27 countries (0.78%). The Committee notes that the level of spending on active measures has increased since the last report (0.1% in 2006), but still remains one of the lowest among the EU-27 countries. Hence, the Committee finds that employment policy efforts in Greece, measured both in terms of the activation rate and spending on active labour market measures, were insufficient during the reference period.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 1§1 of the Charter on the ground that it has not been established that employment policy efforts have been adequate in combatting unemployment and promoting job creation.

Paragraph 3 - Free placement services

The report fails to provide any information on the public employment services. The Committee therefore asks the next report to include information (for the different years of the reference period) on:

- the number of vacancies notified to the PES;
- the number of placements made by the PES (and the placement rate, measured as a percentage of the total vacancies notified);

- the placements made by the PES as a percentage of total hirings in the labour market. It also asks what is the number of counsellors in the PES involved in placement services, and the ratio of placement staff to registered jobseekers.

The Committee defers its conclusion pending receipt of the above placement figures of the PES, which is needed with a view to assessing the effectiveness of employment services.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion

Article 3 - Right to safe and healthy working conditions – Conclusions 2013

Paragraph 1 - Safety and health regulations

Personal scope of the regulations

In its previous conclusions (Conclusions XIII-2, 2007 and XIX-2, 2009), the Committee did not consider self-employed workers were satisfactorily protected in Greece. In particular, the last conclusion was based on the consideration that, despite the improvements made in the reference period and given the high proportion of selfemployed workers in Greece (according to 2007 Eurostat data, the highest in Europe with 21% of the total workforce – more than twice the EU average), the self-employed remained only partly covered by the above-mentioned regulations and on an exceptional basis, leaving a number of gaps in their protection (for example, shipyards, agriculture, hotels and restaurants). In this respect, the Committee recalled that that for the purposes of Article 3§1, all workers, including non-employees, must be covered by health and safety regulations as they are exposed to the same risks.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 3§1 of the Charter on the ground that the self-employed are not sufficiently covered by occupational safety and health regulations.

Paragraph 2 - Enforcement of safety and health regulations

The Committee takes note of the information contained in the report submitted by Greece.

Occupational accidents and diseases

In its last conclusion (Conclusions XIX-2, 2009), the Committee noted the difference between the Eurostat and Labour Inspectorate (SEPE) figures with respect to the years 2005-2006 and therefore enquired about the methods of reporting and data collecting of occupational accidents. It also asked about the estimated levels of under-reporting and the measures taken to combat this phenomenon. As regards the period 2008 – 2010, the Committee notes that Eurostat does not provide specific data on occupational accidents with respect to Greece (cf. table "Accidents at work by sex and age, excluding road traffic accidents and accidents on board of any mean of transport in the course of work (NACE Rev. 2, A, C-N excluding H)" – [document hsw_mi03]). The report indicates that the total number of accidents was 6 657 in 2008; 6 381 in 2009; 5 721 in 2010; and 5 203 in 2011. The fatal occupational accidents during the same years were, respectively, 142, 113, 94 and 70. The report points out that as regards quarries and mines, the total number of accidents was 143 in 2008 (14 fatal accidents); 140 in 2009 (14 fatal accidents); 100 in 2010 (10 fatal accidents); 96 in 2011 (6 fatal accidents). The Social Insurance Institute (IKA) has not yet released official data on occupational accidents with respect to the

reference period. The report states that the percentages for 2011 are close to the average of EU countries.

As regards the difference between the data provided by Eurostat and SEPE, the report points out that on the basis of the legislation in force, the obligation of employers to report to SEPE accidents involving salaried workers, does not apply to self-employed persons, family enterprises, as well as work into quarries and mines, for which the competent agency is the Mines Inspectorate. The report also indicates that the data of Eurostat are based upon adjustment of the accidents reported to IKA concerning only persons insured with IKA from all sectors of economic activity, while the data of SEPE refer to insured persons of all dependent employment social security bodies, excluding the workers at quarries and mines. Based on this information, the Government is of the view that the comparison between the above-mentioned data is not reliable, because it does not concern comparable population groups.

The report also considers that according to ESAW (European Statistics on Accidents at Work) methodology, in case where there is a financial incentive for the worker or employer to report occupational accidents (daily compensation, allowances, pensions), the level of reporting is considered to be at 100%. On the contrary, where there is only a legal obligation to report occupational accidents, there is a moderate level of reporting which, for EU member States having a similar reporting system, ranges from 30% to 50%. The report specifies that the accidents reported to IKA belong to the first of the two SEPE in comparison with the decrease in the accidents shown in the data of Eurostat for the period 2005-2006. Moreover, it considers that it is not safe to draw conclusions from the evaluation of accidents over a period of just two years. It stresses that there is a steady decline in the total number of accidents and the fatal occupational accidents reported to SEPE for the years 2008-2011. According to the Government this reduction is due inter alia to the reduction in the productive activity in the country as a result of the recession and hence reduction in the building activity, where most fatal accidents occur and this proves that occupational accidents cannot be treated as simple figures, because they are closely related to many other factors (economic, social).

While taking note of the information and comments put forward by the Government, the Committee reserves its position as regards the period 2008-2011 until it will have examined the data to be published by Eurostat and IKA. The Committee also reiterates its requests about the information on the measures taken to combat the phenomenon of under-reporting.

In the last conclusion, the Committee noted that the proportion of workplace accidents among workers of other nationalities was almost four times greater than the figure for Greek workers. This was explained by the fact that more immigrant workers than Greeks were employed in construction and industry, in precarious employment relationships and in the informal economy. The Committee asked whether this is taken into account by the authorities and what steps are taken to improve this situation. In this respect, the report states that during the reference period (2008-2011), the percentage of foreign workers suffering occupational accidents ranged from 10% to 13,4%, while the corresponding percentage for fatal accidents ranged from 20% to 36,3%. Based on this information, the report indicates that the measures provided for by the Greek legislation for the protection of workers' health and safety, as well as the actions to be taken in case of occupational accidents are the same for all workers regardless of their nationality. In addition, it underlines that the inspections of SEPE have always focused on those sectors that pose an increased occupational risk (e.g. sectors of construction and industry where a great number of foreign workers are employed). The percentage of inspections by SEPE in these two sectors exceeds 60%. Furthermore, within the framework of the European Campaign organised in 2010 by the Senior Labour Inspectors' Committee (SLIC) of the European Commission on Risk Assessment in the Use of Dangerous Chemical Substances in sectors where immigrants are employed (motor vehicle repair workshops and cleaning

services, woodworking and cabinetmaking and bakeries), SEPE prepared four information brochures (one for each sector) in five languages (Greek, English, Russian, Albanian and Romanian). The initiative was repeated for the European Campaign on Psychosocial Risks at Work (2011-2012), for which a part of the information material of SLIC was published also in Bulgarian and Polish. The Committee takes note of the information provided.

In its last conclusion, the Committee noted that no data was provided in the report on occupational diseases and that important problems of under-reporting exist in this domain. The Committee therefore asked for information with respect to the steps taken to remedy this situation. In this respect, the report indicates that the Government has initiated procedures for the organisation of a more effective cooperation between the jointly competent officers (health professionals) and bodies (social security bodies and units of the national health system), thus aiming at the collection and use by SEPE of the data on occupational diseases. In this context, in March 2008, according to the report, a circular was sent to all regional agencies of SEPE, so that they regularly above-mentioned two categories with reporting level of 100%, while, as regards the accidents reported to SEPE for which there is only a legal obligation, the reporting level ranges from 30% to 50%. The report points out that in any case, when an occupational accident has not been reported, the safety and health agencies of SEPE impose the sanctions provided for by the law. Based on this information, the Government concludes that no contradiction arises from the increase of the accidents reported to remind the enterprises, in which due to the nature of their activities and working conditions the occupational diseases risk is high, that they must report, inter alia, occupational diseases. Moreover, for the purpose of a comprehensive recording of data on occupational diseases, the "Form of reporting a work-related disease to the Labour Inspectorate" was drawn up. Also, it was decided that following the completion of the investigation of any work-related disease a "Report on the investigation of the causes of the work-related disease" must be drawn up. The aforementioned data must be sent to the Central Agency of the Labour Inspectorate for the creation of a single record, the processing of the data and the planning of targeted actions. Further, for the improvement of the systematic procedure of collection and analysis of the data derived from the medical examination of workers, a document was sent in August 2009 to the Ministry of Health and Social Solidarity, so as to ensure compliance by all supervised nursing institutions falling within its competence (hospitals, health centres) with the obligation to report to the Labour Inspectorate all work-related diseases of their personnel and the patients visiting them for diagnostic or treatment purposes.

The Committee takes note of the initiatives taken by the Government concerning the collection of data relating to occupational diseases. It asks that the next report provide information on the implementation of the above-mentioned initiatives and explain if and how they contributed to remedy the problems of under-reporting in this domain. The Committee notes that the report does not provide pertinent figures or statistics on the number of occupational diseases. It therefore considers that during the reference period occupational diseases were not adequately monitored.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 3§2 of the Charter on the ground that during the reference period the prevalence of occupational diseases was not adequately monitored.

Article 4 - Right to a fair remuneration – Conclusions 2014

Paragraph 1 - Decent remuneration

The Joint Ministerial Order No. 2/13917/0022 of 17 February 2012 set the minimum wage for the "compulsory education" category at €780.00 (€9 360.00 over 12 months), and that of tenured civil servants governed by Act No. 3205/2003 (judges, physicians, university lecturers, members of the armed and police forces) at €1 138.72 (€13 364.64 over 12 months).

According to EUROSTAT data for 2012 (table "earn_nt_net"), the annual average wage of a single worker without children (100% of an average worker) was €22 240.87 (or €1 853.41 per month over 12 months) gross and €16 322.10 (€1 360.18 per month over 12 months) net of social contributions and tax deductions.

The Committee notes in the present case that, after deduction of social security contributions and income tax, which has been applicable since the reduction in the tax-free threshold under Act No. 4024/2011, the minimum wage for all single workers in the private sector is below the minimum threshold. It also observes that, while the wages of tenured civil servants governed by Act No. 3205/2003 are in conformity with Article 4§1 of the 1961 Charter, the minimum wage for contractual staff in the civil service is less than the minimum threshold and accordingly does not permit a decent standard of living.

Follow-up given to collective complaint No. 66/2011 General Federation of employees of the national electric power corporation (GENOP-DEI) and Confederation of Greek Civil Servants' Trade Unions (ADEDY) v. Greece, decision on the merits of 23 May 2012

The Committee notes that, since the publication of the decision on the merits, section 1, paragraph IA, sub-paragraph 11, case 2a of Act No. 4093/2012 has been passed, stipulating that the general minimum wage will be determined by the NGCA, applying solely to the staff of employers which are members of the signatory employer organisations. Circular No. 26352/839 has confirmed the minimum earnings laid down by Circular No. 4601/304. The Committee considers that the amendments introduced by section 1, paragraph IA, sub-paragraph 11, case 2a of Act No. 4093/2012 have not redressed the breaches of Article 4§1 of the 1961 Charter and concludes that the follow-up given by Greece to collective complaint No. 66/2011 is inadequate. It asks that the next report contain information on measures taken to remedy the situation.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 4§1 of the 1961 Charter on the grounds that:

- The minimum wage applicable to contractual staff in the civil service is not sufficient to ensure a decent standard of living;
- The minimum wage applicable to private sector workers is not sufficient to ensure a decent standard of living;
- The provisions of section 74, paragraph 8 of Act No. 3863/2010 and of section 1, paragraph 1 of Council of Ministers Act No. 6/2012 provide for the payment of a minimum wage to all workers under the age of 25 which is below the poverty level;
- The provisions of section 74, paragraph 8 of Act No. 3863/2010 and of section 1, paragraph 1 of Council of Ministers Act No. 6/2012 discriminate against workers under the age of 25.

Article 8 - Right of employed women to protection of maternity – Conclusions 2011

Paragraph 1 - Maternity leave

Right to maternity leave

The Committee previously found the situation to be in conformity with Article 8§1 in this respect. The report indicates that there has been no change in the situation. The Committee asks for a full update to be provided in the next report, including as regards women employed in the public sector.

Right to maternity benefits

The Committee reiterates that periods of unemployment must be included in the calculation of work time needed to qualify for maternity leave (Conclusions XV-2, France). This is true even if a minimum allowance is paid to those women who do not satisfy the qualifying period. The Committee noted in its last conclusion that, in such cases, lump sums are paid before and after childbirth, and asks that an update of these sums be provided in the next report. The Committee understands that periods of unemployment are still not taken into account for the qualifying period required by the IKA to be entitled to maternity benefits. The situation is therefore not in conformity with Article 8§1 on this count.

Conclusion

The Committee concludes that the situation is not in conformity with Article 8§1 of the 1961 Charter on the ground that periods of unemployment are not taken into account when calculating qualifying periods needed to be entitled to maternity benefits.

Article 11 Right to protection of health – Conclusions 2013

Paragraph 1 - Removal of the causes of ill-health

The Committee notes from another source that Greece has faced cuts in health care expenditures by almost 4 per cent of GDP as a condition of its 2010 agreement with the Troika. According to OECD, the health care spending per capita fell by 11,1% between 2009 and 2011. Therefore, the Committee asks the next report to provide information on the consequences of these cuts on access to health care.

As regards the right to protection of health of transgender persons the Committee received submissions from the International Lesbian and Gay Association (European Region) (ILGA) stating that "in Greece there is a requirement that transgender people undergo medical interventions, including sterilisation, as a condition of legal gender recognition". In this respect, the Committee refers to its question on this matter in the General Introduction.

Follow-up of collective complaint International Federation for Human Rights (FIDH) v. Greece (complaint No. 72/2011, decision on the merits of 23 January 2013)

Since the Committee's previous conclusion, the Committee has decided on the merits of complaint No 72/2011 International Federation for Human Rights (FIDH) v. Greece. This decision was adopted outside the reference period and therefore its follow up cannot be carried out in this conclusion. However, the facts of this complaint will be taken into account as they occurred during the reference period. The Committee takes note of the information provided by the Government, as they appear, in the Appendix to Committee of Ministers' Resolution CM/ResChS(2013). However, given the nature of the information provided, the Committee is not in a position to assess the impact of the measures described on the various shortcomings which prompted the Committee to conclude that Article 11§1 was violated. Therefore, the Committee asks the next report to provide information on the follow-up of the decision on the merits rendered by the Committee on 23 January 2013. In the meantime, the Committee defers its conclusion on this point.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion.

Paragraph 2 - Advisory and educational facilities

Counselling and screening

In its last conclusion, the Committee asked for detailed information on consultations and screening for the population at large (excluding pregnant women, children and adolescents), and on how regular and accessible they are, focusing in particular on the diseases responsible for high levels of early death. Given that the report does not provide any answer, the Committee concludes that the situation is not in conformity with the Charter on the ground that it has not been established that there are adequate measures for counselling and screening for the population at large. The Committee also asked information on consultations and screening for pregnant women, children and adolescents. The report provides only a partial answer given that it focuses on child health, notably the Child Health Centre and the Circular on Mantoux tuberculin skin test and antitubercular vaccination for the students of the first year of the primary schools in the country, and omits to develop on the cases of pregnant women and adolescents. Therefore, the Committee concludes that the situation is not in conformity with the Charter on the ground that it has not been established that there are adequate measures for counselling and screening for pregnant women and adolescents.

Follow-up of collective complaint International Federation for Human Rights (FIDH) v. Greece (complaint No. 72/2011, decision on the merits of 23 January 2013)

Since the Committee's previous conclusion, the Committee has decided on the merits of complaint No 72/2011 International Federation for Human Rights (FIDH) v. Greece. This decision was adopted outside the reference period and therefore its follow up cannot be carried out in this conclusion. However, the facts of this complaint will be taken into account as they occurred during the reference period. The Committee takes note of the information provided by the Government, as they appear, in the Appendix to Committee of Ministers' Resolution CM/ResChS(2013). However, given the nature of the information provided, the Committee is not in a position to assess the impact of the measures described on the various shortcomings which prompted the Committee to conclude that Article 11§2 was violated. Therefore, the Committee asks the next report to provide information on the follow-up of the decision on the merits rendered by the Committee on 23 January 2013. In the meantime, the Committee defers its conclusion on this point.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 11§2 of the 1961 Charter on the grounds that it has not been established that:

- there are adequate measures for counselling and screening for the population at large;
- there are adequate measures for counselling and screening for pregnant women and adolescents.

Paragraph 2 - Advisory and educational facilities – Conclusions 2015

In application of the reporting system adopted by the Committee of Ministers at the 1996th meeting of the Ministers' Deputies on 2-3 April 2014, States were invited to report by 31 October 2014 on conclusions of non-conformity for repeated lack of information in Conclusions XX-2 (2013).

The Committee takes note of the information provided by Greece in response to the conclusion that it had not been established that there were adequate measures for counselling and screening for the population at large and for pregnant women and adolescents.

The Committee recalls that there should be screening, preferably systematic, for all the diseases that constitute the principal causes of death and there must be free and regular consultation and screening for pregnant women and for children (Conclusions 2005, Republic of Moldova). The Committee has ruled that “where it has proved to be an effective means of prevention, screening must be used to the full” (Conclusions XV-2 (2001), Belgium).

The report first of all emphasises the State’s obligation to guarantee the provision of health care services to all citizens on the basis of Act No. 4238/2014 on Primary Health Care, which include, inter alia, the following services:

- Assessment of citizens’ health needs, design and implementation of measures and programs in order to prevent diseases, universal implementation of a national screening program for specific diseases, as well as health promotion;
- Family planning and services for the mother and child;
- Primary dental and orthodontic care, placing emphasis on prevention;
- Implementation of vaccination programmes.

More particularly, with respect to screening, the report makes reference to the Programme of Preventive Medicine in the context of which medical tests are carried out for the following diseases: prenatal thalassemia, cervix cancer, prostate cancer, breast cancer, colon cancer, hemoglobin in urine and feces and dyslipidemia. The Committee takes note of the number of tests carried out as part of the Programme, but it also observes that larger numbers of tests are conducted outside the framework of the Programme. It therefore asks that the next report contain up-dated figures providing an overview of the total number of screenings carried out for the various diseases concerned. It also wishes to be informed about coverage rates (number of persons screened from the target population and on the impact of the screening programmes (impact on early diagnosis rates, survival rates, etc.).

The report also provides information on the National Newborn Screening Programme (EPPEN) which provides for screening concerning four diseases: phenylketonuria, congenital hypothyroidism, galactosemia and Glucose-6-Phosphate Dehydrogenase – G6PD. According to the report preparations are underway to expand this programme. Also here the Committee requests up-dated information on the number of screenings, coverage rates and impact.

While noting the information on the legislative framework for family planning and care for mother and child, the Committee asks that the next report contain information on any specific counselling and screening services specifically aimed at pregnant women.

Finally, the Committee notes that annual free preventive medical check-ups for school children are provided by volunteer doctors at schools throughout the country. It requests clarification as to whether free checks-ups are offered to all school children or only at selected schools based on the presence of volunteer doctors.

Conclusion

Pending receipt of the requested information, the Committee concludes that the situation in Greece is in conformity with Article 11§2 of the 1961 Charter.

Paragraph 3 - Prevention of diseases and accidents

Follow-up of collective complaint Marangopoulos Foundation v. Greece (complaint No. 30/2005, decision on the merits of 6 December 2006)

In its last conclusion, the Committee asked whether particles emissions at lignite mining plants (such as at Klitos, Kozani and Aghios Dimitrios) had been reduced and by how much. It also

asked whether the number of staff employed by the environmental inspectorate had increased and whether the sanctions provided for those who exceeded limits had been increased etc. In conclusion, the Committee welcomes the efforts of the Government. However, the Committee notes the lack of information on the improvements concerning the lignite mining plants of Klitos, the increase of the number of staff employed by the environmental inspectorate and the increase of the sanctions. Therefore, the Committee concludes that the situation is still not in conformity with the Charter on the ground that it has not been established that sufficient measures have been adopted to improve the right to a healthy environment for persons living in lignite mining areas.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 11§3 of the 1961 Charter on the ground that it has not been established that sufficient measures have been adopted to improve the right to a healthy environment for persons living in lignite mining areas.

Article 12 Right to social security - Conclusions 2013

Paragraph 1 - Existence of a social security system

Risks covered, financing of benefits and personal coverage

The Committee takes note of the measures with a view to guaranteeing the insurance coverage of unemployed persons in respect of medical care benefits. It notes that unemployed and self-employed workers are covered in respect of sickness benefits in kind for two years by the social security organisation with which they were insured prior to the interruption of their employment. However, according to the report, due to the financial state of the country a great number of persons remain unemployed for longer than two years and therefore, they are not entitled to medical care benefits. The Committee notes in this regard however, that Act 3995/2011 provided by the possibility to extend the insurance coverage of the long-term unemployed persons for medical 26 care benefits until 31/12/2011. The Committee wishes to be informed about further developments regarding this issue. The Committee asks what is the total number of persons covered by healthcare out of the total population and in the meantime it reserves its position on this issue. The Committee notes from the report that in 2011 the total of 1,2 million persons were insured by IKA-ETAM. As regards income-replacement benefits, the Committee asks that the next report provide information on the total number of persons insured under pension, unemployment, sickness and old-age branches out of the total active population. In the meantime, the Committee reserves its position as to the personal coverage of the social security risks.

Adequacy of the benefits

The Committee notes from Eurostat that 50% of the median equivalised income stood at €458 in 2011.

Old-age pension

The Committee notes from the report that the minimum pension paid by IKA-ETAM to old-age or disability pensioners entitled to a full pension amounted to €486,84 from 1/10/2008. According to the report, the minimum pension has not been adjusted since 2008 following the Memoranda of Understanding with the European Commission, the International Monetary Fund and the European Central Bank and reductions/cuts in the higher pensions have been enacted.

The Committee further notes that the Pensioners Social Solidarity Allowance (EKAS) was paid to entitled pensioners for the period 2008-2011 on the basis of a means-test. The Committee also notes from the report and from ISSA that old-age social solidarity grant stood at €230 per month with net income up to €7 715.65, €172.50 with net income from €7 715.66 to €8 018.26, €115 with net income from €8,018.27 to €8 219.93, €57.50 with net income from €8 219.94 to €8 472.09, and €30 with net income from €8 472.10 to €9 200. The Committee thus understands that all recipients of the minimum pension would be entitled to the EKAS. It asks whether this understanding is correct. The Committee requests that the next report provide the total amount of minimum pension, including the basic pension as well as any other supplements. The Committee notes from MISSOC that the minimum pension equals 70% of the minimum wage of a married worker fixed by the General National Collective Agreement in 2002. From 1/1/2003, the minimum pension is adapted according the general increase of pensions following the State's income policy. The minimum amount of the pension in 2012 amounted to €495.74 per month. The Committee notes that the minimum amount of old-age pension is adequate.

Unemployment benefit

In its previous conclusion the Committee held that the minimum level of unemployment benefit for beneficiaries without dependents was manifestly inadequate. It notes from the report in this regard that the basic daily unemployment allowance in 2011 stood at €18,46 or € 461,50 monthly. However, the subsidised persons without dependents 27 would get in 2011 € 230 in unemployment benefit. The Committee notes that this figure is still far below the 40% of the Eurostat at-risk-of-poverty rate and is therefore, manifestly inadequate. Regarding unemployment allowance, the Committee notes in reply to its previous question that the unemployed shall lose his/her right to unemployment benefit if he/she rejects an appropriate job offer. A job is deemed appropriate when it is offered by the competent agencies and corresponds to the physical and intellectual capabilities as well as to the previous employment of the unemployed. If the person looking for a job considers a job offer unsuitable, he/she can file an objection with the competent collective bodies. An unemployed person shall be deleted from the register of unemployed persons if he/she rejects a job corresponding to his/her qualifications. According to the report in 2011 only six unemployed persons were deleted from the register of unemployed persons. The Committee asks whether there is an reasonable initial period during which an unemployed person may reject an unsuitable job offer without losing unemployment benefit.

Sickness and maternity benefits

The Committee asks what is the minimum level of sickness and maternity benefits.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 12§1 of the Charter on the ground that the minimum level of unemployment benefit for beneficiaries without dependents is manifestly inadequate.

Paragraph 2 - Maintenance of a social security system at a satisfactory level at least equal to that necessary for the ratification of the International Labour Convention No. 102

The Committee further notes from the Observation of the ILO Committee of experts on the application of conventions and recommendations (CEACR) adopted in 2012, published at 102nd ILC session (2013) that the ILO Committee notes with regret that the evolution of the situation in Greece confirms its previous conclusion that applying exclusively financial solutions to the

economic and social crisis could eventually lead to the collapse of the internal demand and the social functioning of the State, condemning the country to years of economic recession and social unrest.

The ILO Committee requested the Government to indicate the exact minimum amounts of the benefits still guaranteed by the national legislation under all accepted Parts of the Convention No. 102. It further urged the Government to assess past and future social austerity measures in relation to one of the main objectives of the Convention, which is the prevention of poverty. The ILO Committee also asked the Government to explain in its next report whether any subsistence level is established for different age groups of the population and, if so, how it is determined and how it is related to the minimum wage and minimum amounts of social security benefits.

The Committee wishes to be informed of the response of the Government. In the meantime it reserves its position as to whether the social security system is maintained at a satisfactory level necessary for the ratification of the ILO Convention.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion.

Paragraph 3 - Development of the social security system

Since the Committee's previous conclusion (Conclusions 2009), the Committee has decided on the merits of the following complaints:

No. 76/2012 Federation of employed pensioners of Greece ((IKA –ETAM) v. Greece;

No. 77/2012 Panhellenic Federation of Public Service Pensioners v. Greece;

No. 79/2012 Panhellenic Federation of pensioners of the public electricity corporation (POS-DEI) v. Greece; No. 78/2012 Pensioners' Union of the Athens-Piraeus Electric Railways (I.S.A.P.) v. Greece;

No. 80/2012 Pensioner's Union of the Agricultural Bank of Greece (ATE) v. Greece.

The complainants in the above mentioned collective complaints have raised several allegations of violation of Article 12§3 on the basis of different legislative Acts, such as Nos. 3863/2010 and 4024/2011. The following specific restrictive evolutions of the pension system were identified by the complainants:

- 40% reduction of the amount of pension that could previously be claimed as a primary pension by pensioners who were less than 55 years old and with a primary pension amounting to less than €1.000;
- 20% reduction of the amount of pension that could previously be claimed as a primary pension by pensioners who were over 55 years old and with a primary pension amounting over €1.200;
- on average 30% of reduction of auxiliary pensions. The only provision with regard to these auxiliary pensions is that they may not amount to less than €150;
- approximately 50% reduction of the total amount of primary and auxiliary pensions paid to early retirees;
- a levy entitled "the pensioners' solidarity contribution" has been imposed upon all pensioners with pensions amounting to €1,400 or more; • the social solidarity benefit of private sector pensioners has been reduced by drastically lowering the income ceilings on which the benefit is paid.

The Committee held the view that the cumulative effect of the restrictions, is bound to bring about a significant degradation of the standard of living and the living conditions of many of the pensioners concerned. Therefore, the Committee considered that the situation amounted to the violation of Article 12§3 of the Charter.

According to the report, the following legislative developments took place during the reference period, of which the Committee already took note in the context of the above mentioned collective complaints:

- Law 3863/2010 imposed the solidarity contribution (EAS) on pension of at least €1 400 to foster intergenerational solidarity;
- Law 3845/2010 stipulated that the Christmas and Easter bonuses and the holiday allowance shall be paid only if the beneficiary – pensioner has attained the 60 years of age and the amount of his/her monthly pension does not exceed €2 500;
- Law 3986/2011 imposed a deduction of 6% on the total amount of pensions (for pensioners below 60 years of age) higher than €1 700;
- Law 4024/2011 provided for a reduction of 40% in the amount of the monthly main pension exceeding € 1 000 for pensioners who have not attained their 55 years of age.

The Committee takes note of the restrictive evolution and reiterates that the cumulative effect of the restrictions, is bound to bring about a significant degradation of the standard of living and the living conditions of many of the pensioners concerned and therefore, the situation is not in conformity with the Charter.

In its decision on the merits of 23 May 2012 of the collective complaint No 66/2011, General Federation of employees of the national electric power corporation (GENOPDEI) and Confederation of Greek Civil Servants' Trade Unions (ADEDY) v. Greece the Committee considered that the highly limited protection against social and economic risks afforded to minors engaged in 'special apprenticeship contracts' under Section 74§9 of Act No. 3863/2010 has the practical effect of establishing a distinct category of workers who are effectively excluded from the general range of protection offered by the social security system at large and that this represents a deterioration of the social security scheme which does not fulfil the criteria to be compatible with Article 12§3 of the 1961 Charter.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 12§3 of the Charter on the following grounds:

- the restrictive evolution of the social security system;
- deterioration of the social security scheme in relation to minors engaged in special apprenticeship contracts.

Article 13 - Right to social and medical assistance – Conclusions 2013

Paragraph 1 - Adequate assistance for every person in need

Types of benefits and eligibility criteria

In its previous conclusion (Conclusions XIX-2) the Committee held that the situation in Greece was not in conformity with Article 13§1 of the Charter as there was no general social assistance scheme in the country that would ensure that all persons without resources have a legally enforceable right to assistance for which the sole criterion is need. It notes from the report and the information provided to the Governmental Committee (Governmental Committee, Report concerning Conclusions XIX-2, Doc. TSG (2011)2final, §§153-156) that the situation has not changed: the main relevant legislation remains Decree 57/1973 which, together with a Ministerial Decision of March 2009 (J.M.D. No. 31777/2009), provides for an emergency one-off allowance of €600 to people unable to cover their basic living costs from any other source of income. The Committee refers to its previous conclusions (Conclusions XIV-1, XV-1, XVI-1, XIX-2), where it examined this legal framework and concluded that in the absence of a precise legal

threshold below which a person is considered in need or of a common core of criteria underlying the granting of benefits, a one-off allowance cannot be deemed to be a sufficient income guarantee for persons without resources. The Committee maintains its finding that the right to social assistance is not guaranteed as a statutory right and reiterates its previous conclusion on this ground.

Level of benefits

The Committee notes from Eurostat that the poverty threshold, defined as 50% of median equivalised income and as calculated on the basis of the Eurostat at-risk-of-poverty threshold value was estimated at €458 in 2011. The Committee recalls that under Article 13§1 the total social assistance provided, including the basic benefit as well as supplements, must be compatible with the poverty threshold value. Since Greece does not have a general scheme which would entitle all persons without resources to a legally established amount of benefit and since the one-off allowance cannot be considered to meet this requirement, the Committee holds that Greece fails to meet the requirements of this provision as regards the level of assistance.

Personal scope

The Committee asks what social and medical assistance is available to foreign nationals, legally resident in Greece but not with a permanent resident status. It also asks for clarification as to whether non-EU nationals of other states parties to the Charter are entitled to the same level of protection (both as regards entitlement to social assistance benefits and medical care) than Greek nationals. It reserves in the meantime its position on this issue.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion.

Paragraph 2 - Non-discrimination in the exercise of social and political rights

The report confirms that the legislation governing the access to social and health services by citizens 'who are in a state of need', applicable both to Greek citizens and aliens, does not include any provision that stipulates any type of discrimination against those receiving medical and social assistance in respect of the exercise of their civil, social and political rights.

Conclusion

The Committee concludes that the situation in Greece is in conformity with Article 13§2 of the 1961 Charter.

Paragraph 3 - Prevention, abolition or alleviation of need

The report states that the access to social services is free of charge for all persons belonging to the target groups (families, children and young people, elderly people, people with disabilities, vulnerable social groups) and applies to all foreign nationals legally resident in Greece. The effective access depends on the availability of the services, it being understood that priority is given to the most vulnerable cases. The Committee notes from previous conclusions that the adequacy of resources has been questioned on several occasions (see inter alia Conclusions XIX-2) and asks the next report to provide updated information, including any relevant data, on whether services and institutions are provided with sufficient means to give appropriate assistance as necessary to make those concerned fully aware of their rights to social and medical assistance and on whether the services and institutions are adequately distributed on the territory.

Conclusion

Pending receipt of the information requested, the Committee concludes that the situation in Greece is in conformity with Article 13§3 of the 1961 Charter.

Article 14 - Right to benefit from social services – Conclusions 2013

Paragraph 1 - Promotion or provision of social services

Organisation of the social services

The Committee wishes the next report to indicate whether the financial resources for the provision of social services are adequately spread. In the meantime, it reserves its position in this respect.

Quality of services

The Committee refers to its previous conclusion, regarding the standards set for the quality of services. The report indicates that in 2010 €6.3 million were spent on annual social services programs and €1.2 million were spent for emergency measures. In view of the lack of information on up-to-date staffing figures for all the social welfare services the Committee reiterates its question. In this regard, the Committee wishes also the next report to indicate the ratio of staff to users. The Committee asks whether there is any legislation on personal data protection.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion.

Paragraph 2 - Public participation in the establishment and maintenance of social services

The report indicates that up to the end of the reference period, there were 420 nongovernmental organisations that provided social welfare services.

In its last conclusion, the Committee asked information on a new organisation called the "society of volunteers". The current report indicates that the establishment of this organisation did not materialize. The Committee notes from its previous conclusion that the certification of voluntary organisations for the provision of services is the responsibility of the National Centre for Social Services (EKKA). Since the same arrangements apply to the monitoring of public and non-public service providers, the Committee refers on this point to its conclusion on Article 14§1. The Committee asks how voluntary organisations are involved in developing policies on social welfare services.

Conclusion

Pending receipt of the information requested, the Committee concludes that the situation in Greece is in conformity with Article 14§2 of the 1961 Charter.

Article 15 - Right of persons with disabilities to independence, social integration and participation in the life of the community – Conclusions 2012

Paragraph 1 - Education and training for persons with disabilities

The Committee requests the next report to provide updated information on the total number of people with disabilities, including the total number of children with disabilities; the number of

children with disabilities attending mainstream schools and training facilities; the number of those attending special education and training institutions. While taking note of the fact that the data available are not exhaustive, the Committee notes that the number of students continuing education after primary school is very low and requests clarification on this point, as well as information on measures taken to remedy this situation.

Anti-discrimination legislation

The Committee notes the information provided and the initiatives under way to bring the legislation in conformity with anti-discrimination requirements. In the light however of the shortcomings noted in respect of the definition of disability and the limited scope and lack of precision of the legislation prohibiting discrimination, it does not consider established that the anti-discrimination legislation covering education for disabled people is adequate and reserves its position on this point.

Conclusion

Pending receipt of the information requested, the Committee defers its conclusion.

Paragraph 2 - Employment of persons with disabilities

The Committee notes from another source (ANED report 2009 on the employment of disabled people) that, according to EU SILC data for 2009, compiled by ANED, the employment rate for disabled people (aged 20-64) in Greece was 31.4%, compared to 68.1% for non-disabled people. The unemployment rate was 17.9% and the economic activity rate 38.2%. According to data of 2002, 8.9% of disabled people were unemployed compared to 9.6% of general population, 18.2% of the population (half of whom were over 65) had a health problem or disability and 84% of disabled people or people with health problems were reported to be economically inactive, compared to 58% of the general population. The Committee had asked in this respect what measures had been taken to improve the situation. In the absence of any relevant data, the Committee does not find it established that the situation has been brought to conformity with Article 15§2 of the Social Charter of 1961.

The Committee reiterates its request for details on sheltered or semi-sheltered structures, for example as regards the number of disabled people involved in such structures, the criteria for accessing them, the level of pay of disabled workers and whether these structures provide for the possibility of transfer to ordinary labour market.

Conclusion

The Committee concludes that the situation in Greece is not in conformity with Article 15§2 of the Charter on the ground that it has not been established that people with disability are guaranteed effective equal access to employment.

Article 16 - Right of the family to social, legal and economic protection - Conclusions 2011

Housing for families

The Committee notes that the implementation of the Integrated Action Plan (IAP) for the social inclusion of Greek Roma (2002-2008) aimed at combating social exclusion and discrimination through the enforcement of field positive measures, in particular the housing rehabilitation of Greek Roma, is followed by a consultation process among Greek authorities in order to prepare an Integrated National Strategy Plan for Roma. While noting some measures undertaken to improve the access to housing, such as the housing loan scheme for Roma or amendments to the

Municipal and Communal Code which provides that local authorities have to secure the right to access to housing without discrimination, including Roma housing, the Committee also notes from other sources that the living conditions of some Roma continue to fall unacceptably below international standards. Thus, the Committee asks for detailed information in the next report on further developments regarding the Integrated National Strategy Plan for Roma or any other project to improve Roma's housing conditions. Meanwhile, it considers that the situation is not in conformity with Article 16 of the 1961 Charter on this matter.

Family benefits

According to the report, in addition to the child allowances which remain the same as at the time of previous evaluation, Law No. 3454/2006 ("Assistance to the Family and other provisions") grants a lump sum of €2000 to mothers for a third child born after 1/1/2006 and Law No. 3631/2006 ("Establishment of a National Fund for Social Cohesion") stipulates that a benefit which is granted to large families is also allocated to families with three children as from 1/1/2008 - it amounts to €44.6 per month for each child under 23 years old. According to Eurostat data, the monthly median equivalised income in 2009 was €960.83 in Greece. Child allowances represented a percentage of that income as follows: 0.86% for a family with 1 child, 2.57% for a family with 2 children, 5.78% for a family with 3 children and 7.01% for a family with 4 children. The Committee considers that child allowances in particular for families with 1 child or 2 children are manifestly inadequate. It therefore considers that the situation is not in conformity with Article 16 in this regard.

Vulnerable families

According to the report, the Roma population is a socially vulnerable group in Greece with a limited access to the economic, social and political rights and needs to be supported with additional measures. The Committee noted that the current legislation abolished the obligation to prove the permanent address by candidates to housing assistance but the report does not indicate whether the same solution applies as regards entitlement to family benefits where the residence requirements in principle have to be met. In the absence of any information concerning measures taken to ensure equal treatment for Roma families, the Committee reiterates its request (see Conclusions 2006) for the next report to contain such information and it underlines that if the next report does not provide the necessary information, there will be nothing to show that the situation in Greece is in conformity with Article 16 of the Charter on this ground.

Equal treatment of foreign nationals and stateless persons with regard to family benefits

The report does not indicate how the foreigners and stateless persons permanently residing in the territory are eligible for family benefits. The Committee asks what are the conditions related to the acquisition of permanent resident status and how those affected receive family allowances.

Follow-up to Complaint European Roma Rights Centre (ERRC) v. Greece, No. 15/2003

The Committee refers to its decision on the merits of 8 December 2004 in which it found violations of Article 16 on the grounds of insufficient number of permanent dwellings for Roma families, lack of temporary stopping facilities, and forced evictions of Roma families. For the reasons outlined above, (under "Housing for families"), the situation continues not to be in conformity with Article 16 of the 1961 Charter.

Follow-up to Complaint International Centre for the Legal Protection of Human Rights (INTERIGHTS) v. Greece, No. 49/2008

Since the last conclusion, the Committee has decided on the merits of Complaint International Centre for the Legal Protection of Human Rights (INTERIGHTS) v. Greece, Complaint No. 49/2008 (decision of 11 December 2009) and found violations of Article 16 of the 1961 Charter on the grounds that the different situation of Roma families was not sufficiently taken into account with the result that a significant number of Roma families continued living in conditions that failed to meet minimum standards, and that Roma families continued to be forcibly evicted in breach of the Charter, and that legal remedies generally available were not sufficiently accessible to them. This decision was adopted at the very end of the reference period: its follow-up cannot be carried out in this conclusion. Consequently, the Committee asks the next report to provide full information on the implementation of legal and other relevant measures to improve living conditions and eliminate unlawful evictions of Roma families.

Conclusion

The Committee concludes that the situation is not in conformity with Article 16 of the 1961 Charter on the grounds that: housing conditions of Roma families are not adequate; Roma families still not have sufficient legal protection; the level of family benefits is manifestly inadequate.

European Code of Social Security

Resolution CM/ResCSS(2015)8 on the application of the European Code of Social Security by Greece

(Period from 1 July 2013 to 30 June 2014)

(Adopted by the Committee of Ministers on 10 September 2015 at the 1234th meeting of the Ministers' Deputies)

[Link to adopted by the Committee of Ministers resolutions](#)

The Committee of Ministers notes:

I. that in Resolution CM/ResCSS(2014)8 on the application of the European Code of Social Security by Greece, the Committee of Ministers observed that the economic outcomes of the fiscal consolidation programme undermine the viability of the national social security system and its capacity to maintain the population "in health and decency" (Article 67(c) of the Code) above the poverty threshold. The Committee of Ministers therefore invited the government to closely assess the overall impact of the austerity policies on the sustainability of the social security system and on the rise of poverty, particularly child poverty, and to consider a number of concrete proposals in this respect. The Committee of Ministers examines below the situation in Greece in the light of these proposals;

II. concerning the preservation of the viability of the social security system:

a. the government states that the main economic policy that is still applied in the field of the adjustment programme of the Greek economy is based on both front-loaded fiscal adjustments to eliminate the primary fiscal deficit and the internal devaluation in order to recover the loss of competitiveness of the economy. These efforts to correct macroeconomic imbalances had a significant social impact, resulting in deep recession and the significant increases in unemployment and poverty. The impact of fiscal tightening was worse than expected, through the use of "incorrect multipliers" in the projections of the impact of the measures implemented. The pressing need to assess the social impact of the economic adjustment programmes in Europe has been identified by the supervisory bodies of the Code;

b. in the current economic environment, the government considers it absolutely necessary for the social security system to remain sustainable and for the State to fulfil its obligations towards its citizens and its international obligations. The report shows that the Greek State, having as a main objective the viability of the system, has decided, in accordance with the terms of the Memorandum of Understanding with the International Monetary Fund, the European Commission and the European Central Bank, to elaborate and apply the necessary political measures aimed at the rationalisation and sustainability of the system, of which the report specifically mentions the measures aimed at the reduction of higher pensions and at averting abuses of social benefits through the use of information technology (IT) systems. Progressive reductions are imposed on pensions over €1,000 in order for the burdens to be distributed proportionately to the income of pensioners, and the amounts resulting from these reductions are becoming revenues of the social security organisations. IT systems (Ergani, Ariadne, Ilios, Atlas) preserve the viability and the long-term sustainability of the insurance system by establishing the National Insurance Register and cross-checking of electronic data, reducing

undeclared and uninsured labour, monitoring payments and averting abuses of benefits. The Social Security Contributions' Collection Centre (KEAO) established a unified mechanism that deals with the collection of debts and arrears in contributions, and marks the first step towards a wider reform aiming at the full integration of social security organisations into the tax administration. The purpose of the Insurance Capital for the Generations' Solidarity (AKAGE) is the creation of reserves to finance pension branches of the social security institutions that will remain "locked" until 2019. Its resources will come from the future privatisation of public enterprises and organisations (10 per cent) and from the annual revenues of VAT (4 per cent);

The Committee of Ministers wishes to acknowledge the significant efforts made by the government to foster the organisation of a viable social security system through, *inter alia*, computerisation, elimination of fraud and undeclared work, strict actuarial oversight and efficient administration, and even through cutting higher pensions to sustain lower pensions in the name of solidarity. However, the Committee of Ministers would still express doubt that such measures alone would be sufficient to preserve the viability of the social security system in the current economic situation of the country. It notes that, although the macroeconomic indicators show that the Greek economy might be stabilised, the policy of internal devaluation pursued by the government resulted not only in the fall of real hourly wages in Greece by 25 per cent in four years, as revealed in the OECD Employment Outlook 2014, but also in the devaluation of the social security obligations of workers and enterprises sitting on those wages. With regard to workers, some 1.1 million of them are suffering wage arrears ranging from three to twelve months, and have become "invisible" to the social security system in terms of contributions and benefits, at risk of losing access to health care. The report of the Labour Institute of the General Confederation of Greek Labour (GSEE) released in September 2014 calculated that incomes of salaried employees and self-employed professionals, which constitute the contributory base of social security, were reduced in 2010-13, in current prices, by €41 billion. With regard to enterprises, the debts and arrears in payment of social security contributions and taxes by small enterprises with up to 49 employees, which make up 99.6 per cent of Greek enterprises, continue to grow, with over one third of them declaring their inability to meet social security and tax obligations in 2014. Enterprises' social security debts and arrears are identified by many economists as the key problem obstructing economic recovery. More generally, the Athens Chamber of Commerce and Industry reported in September 2014 that more than 50 per cent of citizens are unable to meet their obligations to the tax agency and social insurance funds. The abolition of many taxes would additionally deprive the social security system of €1.7 billion. Internal devaluation of social security is amplified many times by the surging unemployment and contraction of the number of insured persons. Although only one in ten unemployed workers gets unemployment benefits, the number of unemployed in May 2014, as reported by ELSTAT, amounted to 1,309,213 persons, who stop contributing to the social security system. The government's report on ILO Convention No. 102 confirms the contraction of the number of insured persons contributing to the system, as well as of the persons receiving various benefits from it. With respect to the key requirement of the Code (Article 70(3)) that the viability of the social security system should be assessed periodically on the basis of the necessary actuarial studies and calculations concerning financial equilibrium, the Committee of Ministers notes that the second actuarial study of the system by the National Actuarial Authority is due in 2014, and by the end of October 2014 reports on the viability of social insurance funds in Greece are expected to be concluded;

c. that the future design of the Greek social security system would very much depend on the conclusions drawn from the above actuarial study in accordance with the terms of the

Memorandum of Understanding with the International Monetary Fund, the European Commission and the European Central Bank according to the government's reports;

d. that from the public statements of the Minister of Labour, Social Security and Welfare in October 2014, the Ministry has launched an effort to simplify Greece's social security legislation, which represents "a mosaic full of special regimes and loopholes" including 5,436 different laws, some 2,600 court decisions and 26 European or international directives, and stretching to almost 39,000 pages. According to the Minister, the simplification process would take 11 months but at the end Greece would have a social security system "built on healthy and strong foundations". The Committee of Ministers welcomes the effort of the government to make its social security legislation manageable, which is an essential precondition for exercising its general responsibility for the proper administration of the social security system under Article 71(2) of the Code;

III. concerning social security and the reduction of poverty:

a. with regard to poverty alleviation, that the government is well aware of the social consequences associated with the increasing rates of poverty in Greece and is trying to design and apply policies, "within the limits permitted by the implementation of the economic adjustment programme", aiming at the prevention and aversion of poverty targeted to some extent at restoring social balance and to provide relief to the most vulnerable population groups. Among these measures, the report mentions the payment of a social dividend to 564,535 beneficiaries; services providing housing, food and social support for homeless people; exemption from monthly pension cuts of those receiving low main pensions; income tax reductions for low-income and specific categories of disabled persons; tax exemptions for certain categories of salaries, pensions and allowances; establishment of the minimum guaranteed income for individuals and families living in conditions of extreme poverty; and other measures, which have been previously noted. The Committee of Ministers has also noted in its Resolution [CM/ResCSS\(2014\)8](#) that the Ministry of Labour, Social Security and Welfare has set up three national targets incorporated in the National Reform Programme concerning reduction of the number of adults and children living at risk of poverty and the development of a "social safety net" against social exclusion;

The Committee of Ministers notes that, despite measures taken to preserve the capacity of the social security system to avert large-scale poverty, the 32nd annual report on the Code is the first report since the beginning of the financial crisis which does not refer to new cuts and reductions in social benefits. It is noted, however, that while the government appears not to be in favour of plans by the International Monetary Fund, the European Commission and the European Central Bank for a second reform of the pension system, which could mean a further increase of the pension age and reductions in pensions paid by primary insurance funds, it has adopted a new method of calculating the primary pensions of those who retire from 2015 onwards, as well as the so-called "zero deficit" clause for the supplementary pension funds. This means that, starting from 2015, both lump-sum payments and supplementary pensions will be adjusted (reduced) depending on the financial situation of each insurance fund. It is further noted, from the information made public by the Ministry, that 393 annual reports of 93 social insurance funds will be reviewed by November 2015 and will give a clear picture of the overall state of the funds. It is understood, therefore, that in introducing the "zero deficit" clause, the government did not yet have a clear picture of the reductions this clause will bring in supplementary pensions paid by different insurance funds, many of which are known to have serious financial difficulties. The Committee of Ministers refers in this regard to the criteria laid down in Article 70(3) of the Code for exercising by the State of its general responsibility for the

due provision of benefits, and hopes that the Ministry has duly carried out the necessary actuarial studies concerning the available means to achieve the financial equilibrium of the funds and fully assessed the social impact of the “zero deficit” clause on poverty in accordance with the best EU practices. The Committee of Ministers notes in this connection information provided during the discussion of the Greek case by the International Labour Conference in June 2014 that the “zero deficit” clause would affect some 4 million people with their supplementary pensions being cut by 25 per cent;

b. in this context, observing that the situation of poverty in the country has not improved, notwithstanding the fact that the at-risk-of-poverty threshold has fallen in the last three years by more than €2,000, there is a marked increase of indicators of child poverty and severe material deprivation. The Committee of Ministers regrets that the report contains no data or indicators on monitoring poverty among different categories of the population and households, which would permit assessment and prove the effectiveness of social transfers and other measures detailed by the government. There is also no indication in the report of the importance of establishing the minimum guaranteed income and other safety net benefits by reference to the physical subsistence level determined in terms of the basic needs and the minimum consumer basket. The Committee of Ministers notes in this respect that the new long-term unemployment benefit for the persons that have already exhausted their right to the regular unemployment benefit, as well as the maternity benefit to self-employed women insured by the ETAA have been established as the amount of €200, which is far below the lowest Eurostat at-risk-of-poverty level of 40 per cent of the median equivalised income (€279 in 2013);

c. although the report demonstrates a positive attitude to the proposals made by the Committee of Ministers in its Resolution CM/ResCSS(2014)8, that no concrete action is mentioned towards their practical realisation neither at the national nor at the EU level and that no ex ante or ex post assessment of the social impact of austerity measures was made. The Committee of Ministers notes that the report repeats that the fiscal space reserved for the application of the Code and for the anti-poverty measures in Greece is strictly defined by the limits permitted by the implementation of the economic adjustment programme and the commitments assumed by the government under the Memorandum of Understanding with the International Monetary Fund, the European Commission and the European Central Bank;

IV. concerning Part II (Medical care):

a. that according to the report on Convention No. 102, in 2010-11, in one year the number of people insured for medical care contracted by over 400,000 persons, but since 2012, the EOPYY, which is the competent health services provider, has not made available any data on the evolution of coverage to be included in the report;

b. that statements made during the discussion of the case of Greece at the International Labour Conference in June 2014, indicate that the drastic reduction of public health expenditure led to higher waiting times, higher admission fees, co-payment and the closure of hospitals and health centres, and an exclusion of poor citizens and marginalised groups from the health system. People who are unemployed for longer than one year are losing their access to health coverage. The social security system owed the main public health-care provider €421.4 million in contributions which it had collected but had failed to distribute. As a consequence, an increasing number of persons living in Greece are without any, or adequate, access to health care, the quality of which has degenerated;

V. concerning Part XI (Standards to be complied with by periodical payments), Articles 65 and 66, Determination of the reference wage, that the reference wage used in the 29th report (2011) on the Code and in the 2014 report on ILO Convention No. 102 to calculate the replacement level of cash benefits is determined under Article 65(6)(a) as the wage of the “married turner” according to the Labour Collective Agreement of 2010 after one year of contribution (€1,091.25) for Part VI of the Code, after 15 years of employment (€1,331.26) for Parts V, IX and X, and after 30 years of employment (€1,462.21) for Parts III, V and VIII. The note in the report on ILO Convention No. 102 states that these calculations concern those who have been insured for the first time up to 31 December 1992. Whilst the implications of this note on the calculation of the reference wage for 2010 and beyond is not clear, the Committee of Ministers observes nevertheless that the method used for determining the reference wage of the skilled manual male employee does not seem to fully correspond to the methodology described in Article 65 of the Code and appears substantially lower than the reference wage calculated for a person deemed typical of skilled labour on the basis for which complete Eurostat data for the same year (2010) are available. The Committee of Ministers would like to point out in particular that, according to Article 65(6)(a), a turner should be selected not from the economy at large but in the division of the “manufacture of machinery other than electrical machinery”, normally in the highest skill echelon and among male workers;

Finds that the continuing contraction of the social expenses of the State and of the capacity of the persons protected and of their employers to pay social insurance contributions, as well as the growing debts and deficits accumulated by the social security organisations in the context of fiscal consolidation, undermine the viability of the national social security system and its capacity to prevent poverty and maintain the overall level of protection guaranteed by the Code;

Decides to invite the Government of Greece:

I. concerning the preservation of the viability of the social security system:

a. to take appropriate measures to correct the “multipliers” of its economic policy so as to give greater effect to the proposals made in the Committee of Ministers’ Resolution CM/ResCSS(2014)8 on the application of the European Code of Social Security by Greece;

b. to summarise the findings of the above-mentioned actuarial study in its next report on the Code, together with the plans for wider reforms of the system mentioned in the report, be it the full integration of social security organisations into the tax administration, the unification of all the different pensions funds into one, or the extension of the guaranteed minimum income scheme to the whole country to become the backbone of the new social protection system in Greece;

c. in reforming its social security system, to give effect to the basic principles of the organisation and financing of social security established by the Code which international experience has consistently shown to provide the best guarantees for constructing viable systems. On the more practical side, with the introduction of the IT systems, to submit in its next report the statistical data on the basic performance indicators of the system for the period 2010-14, showing in particular under each of the accepted Parts of the Code the changes in the number of persons insured by the main social security organisations, the total amounts of contributions collected and benefits paid, and the accumulated debts and deficits of the social security funds;

d. in the hope that the international obligations of Greece under the Code would figure prominently in the above-mentioned exercise, to indicate the progress made in its next report, highlighting the form and structure to be given to the reshaped body of the Greek social security legislation;

II. concerning social security and the reduction of poverty:

a. to specify in its next report the magnitude of the new reductions in the amounts of the primary and supplementary pensions which would result from the measures mentioned above, as well as the outcome of its negotiations on the second pension reform. Whilst noting that the date of the entry into force of the “zero deficit” clause falls outside the reference period of the 32nd annual report on the Code, to report on any planned significant new pension cuts;

b. to explain, in its next report, the criteria used to calculate the amounts of the above-mentioned new benefits as well as the benefit under the new guaranteed minimum income scheme. The government is requested to provide information and data on the evolution of poverty in the country among different categories of the population and households and explain the progress made in attaining the national anti-poverty targets, specifying the role assigned in this respect to the social security benefits. In compiling this information, the government may wish to refer to and update the statistics compiled in the infographs contained in the above-mentioned “Technical note” which has been transmitted to the government;

c. to provide substantive responses in its next report in respect of the following statements made in the report:

i. that the Greek Government has, and will, put the issue of the prevention of poverty on the agenda of its meetings with the parties of the international support mechanism for Greece;

ii. that the National Actuarial Authority will be in a position to determine the social impact of the cuts in social security benefits;

iii. that the actions taken to prevent poverty analysed the most rapid scenarios for undoing certain austerity measures and disproportionate cuts in benefits;

III. concerning Part II (Medical care):

a. recalling that the report on the Code states that the National Register of Beneficiaries of health care is established and updated in real time, to provide in its next report updated statistics on the number of persons insured under Part II of the Code;

b. to include detailed information in its next report on the application of all articles of Part II of the Code in law and in practice, accompanied by the statistical data showing the financial situation of the national health-care system and its performance in terms of maintaining, restoring or improving the health of the persons protected;

IV. concerning Part XI (Standards to be complied with by periodical payments), Articles 65 and 66, Determination of the reference wage, to confirm that the Labour Collective Agreement of 2010, to which it refers in 2014, is still valid and that the turners continue to receive wages at the level set in 2010. With these considerations in mind, to review the method currently used for determining the reference wage of the standard beneficiary under Article 65 of the Code, as well as to also establish, for the purpose of comparison; the reference wage of an ordinary adult male labourer under Article 66. In doing so, the government may wish to refer to the above-mentioned “Technical note”, which calculates for Greece all the options allowed by the Code for

the same time period (2010) for which complete Eurostat data is available. The government is requested to update the statistical information used in the above-mentioned “Technical note”, indicating the precise source of data for future reference.

CEACR 2015 Conclusions on the application of the European Code of Social Security and its Protocol by Greece

As a result of its examination, the Committee finds for the fifth consecutive year that the growing debts and deficits accumulated by social security organizations and the continuous reduction of benefits in the context of fiscal consolidation, contraction of the gross domestic product (GDP) and of the social expenditure of the State undermine the viability and credibility of the national social security system and its capacity to prevent poverty and maintain the overall level of protection guaranteed by the Code.

In Resolution CM/ResCSS(2015)8 on the application of the European Code of Social Security by Greece, the Committee of Ministers of the Council of Europe, while acknowledging the significant efforts made by the Government to foster the organization of a viable social security system through computerization, the elimination of fraud and undeclared work, strict actuarial oversight and efficient administration, expressed doubt that such measures alone would be sufficient to preserve the viability of the social security system in the current economic situation of the country, which is characterized by mass unemployment, the non-payment of taxes and social security contributions and the huge deficit of the country’s main social security fund – the IKA. The Committee of Ministers considered that its serious concern about the possible collapse of the social security system in Greece remains fully justified and maintained its recommendations on the need to reverse the course of social austerity imposed by the two succeeding Memoranda of Understanding (MoUs) with the Troika. It also considered that, to the extent that a social security system operates below the poverty lines, it does not fulfil the objectives of the Code, even though it may satisfy its technical provisions. The Committee of Experts examines below the situation in Greece in the light of these recommendations aimed at securing the financial viability of the national social security system and its capacity to maintain the population “in health and decency” (*Article 67(c)* of the Code) above the poverty threshold. ***The Committee welcomes the Government’s statement in its 33rd annual report that, despite the austerity policies, Greece continues to comply with the obligations arising out of the accepted Parts of the Code, and expects the Government to substantiate it by providing in its next detailed report the most recent statistical data and calculations on the coverage, financing and level of benefits requested in the Report Form on the Code, together with the information and data requested in the present conclusions.*** The Committee points out that its observations below are a continuation of its previous conclusions concerning the application of the Code by Greece and should be read together with them.

Preserving the viability of the social security system. The Committee notes that during the reporting period the question of the viability of the national social security system formed an integral part of the third Greek bailout and reform package, which had broader implications, not only for the future of Greece itself, but also for the future of the Eurozone, the European financial system and the European social model. Its consideration involved all levels of governance from street demonstrations, general strikes, national elections and referendums of the Greek people to extraordinary sessions of the European institutions and emergency summits of European Union (EU) leaders. With the number of applications for humanitarian

assistance growing rapidly (to 212,897 persons in May 2015), concerns over the fate of social security in Greece played a crucial role in the internal political debate and the change of Government in January 2015. It is not surprising that the first legislative act of new Government was Act No. 4320/2015 (GG 29 A) on “Arrangements for immediate action to address the humanitarian crisis” and that the Government set “red lines” for the implementation of the MoU in terms of avoiding pension cuts and mass layoffs, and reversing labour market deregulation. It is in this extraordinary context that the new Government has prepared its **33rd annual report**, which covers the first six months of its period of office.

The Committee recalls that in the **32nd annual report** the previous Government stated that the main economic policy under the adjustment programme of the Greek economy was based on both direct cuts of government spending (the so-called “front-loaded fiscal adjustments”) to eliminate the primary fiscal deficit, and reductions in wages and benefits (the so-called “internal devaluation”) in order to recover the loss of economic competitiveness. It acknowledged that this policy has resulted in deep recession and significant increases in unemployment and poverty, not least due to the “incorrect multipliers” used by the International Monetary Fund (IMF) in projections of the impact of the measures implemented. With respect to the significant impact that this policy had on the viability of the social security system, the previous Government pledged its commitment to maintain the sustainability of the system and to fulfil its obligations towards both its citizens and its international creditors. With regard to the position of the international creditors, the Committee notes that the sine qua non condition put forward by the Brussels group for the conclusion of the third MoU consisted of the dual reform of the Greek labour market and of the pension system, with the former aimed at achieving real wage cuts by deregulating collective bargaining and authorizing mass dismissals, and the latter at achieving pension cuts by downsizing pension rights and raising the pensionable age. Together these cuts in wages and pensions were intended to permit the country to consolidate its finances for prompt repayment to its international creditors and for the Greek economy to regain competitiveness and resume growth, which however failed to materialize. With respect more particularly to the pension reform, which formed the core of the bailout agreement, the reform targets were set in terms of direct savings of 1 per cent of GDP to be achieved in 2016 by any possible measures, including immediate steps to eliminate early retirement and the supplementary pensions for retirees with low pensions, known as EKAS, and to implement the zero-deficit clause which may lead to a 30 per cent reduction in supplementary pensions. The Government was also tasked to carry out a comprehensive social welfare review of its entire benefit system, in conjunction with the World Bank, with the aim of saving an additional 0.5 per cent of GDP each year. ***Noting that the major saving efforts by Greece under the third MoU fall on pensions, the Committee asks the Government to confirm that, following five years of unrelenting structural adjustment and social austerity, it has already largely exhausted all internal sources of the possible additional savings necessary for repayment to international creditors apart from the possibility of further devaluating the pensions of Greek citizens.***

The new Government report highlights the fact that the use in IMF models of a financial multiplier of 0.5 instead of 1 resulted in an underestimate of the impact of austerity measures and in multiple recessive effects. Fiscal adjustments from 2010 onwards caused an approximate 25 per cent decline in GDP and profound social implications. According to the report, the Ministry of Finance is trying to avoid adopting further recessionary measures that will negatively affect the economy and may even suspend existing measures of a recessive nature. The objective of the new economic policy is to conduct a fiscal policy that has a positive impact on economic activity, with the intention of promoting and implementing a series of reforms

aimed at developing a social dimension in the fields of taxation, the management of public finances, public administration and social security. The Government is seeking to apply a different economic policy mix that will not lead to further reductions in the main and supplementary pensions, as was planned from 1 January 2015. The zero-deficit clause was applied only once on 1 July 2014, and the aim is to suspend its implementation indefinitely to supplementary insurance funds. As regards the financing of the system, the revenues of social security will be strengthened through a national, development production recovery plan, reducing unemployment through active employment programmes. In order to strengthen public funding of social security in accordance with the provisions of ILO Convention No. 102 and the Code, the Government intends to restore, within a specific timeframe, the tripartite funding and enhance it, as a measure of gradual recovery of the reserves of the social security funds, with additional public resources that will not burden taxpayers and bank depositors. For this it plans the creation of the National Wealth and Social Security Fund that will be financed by Government revenues from the natural and mineral wealth of the country as well as from the use of public property. Regarding the basic principles of the organization and management of the national social security system, the Government indicates its will to restore the public and redistributive nature of social security by readjusting the existing legislative framework, which has transformed from 1 January 2015 the Greek social security system into a funded scheme, where the state guaranteed only the so-called basic pension, while the remaining part of the pension is converted into an individual-contributory scheme, the Government has asked the ILO for assistance in bringing the best practices for the most effective exploitation of pension funds' assets. Finally, the Government plans to restore the so-called 13th pension for low-income pensioners, whose monthly pensions are below €700, and to gradually restore the minimum wage to €751, which would also have the effect of increasing social security contributions. While noting this information with interest, the Committee also notes that soon after the submission of the **33rd annual report** in August 2015, the country has sustained a new general election resulting in the substantial change of Government. ***It therefore requests clarification as to which of the above plans and intentions have conserved their relevance in the new political setting.***

The Committee observes that the use of a financial multiplier of 0.5 instead of 1 may have caused twice as much damage as was initially planned in Greece, and has clearly set its economy on a course of recession. It is common knowledge that social security systems can operate effectively only in a viable economy in which the structural adjustment measures are not aimed directly at downsizing the social sector and GDP but, on the contrary, where economic growth is achieved by raising aggregate demand sustained by decent wages and pensions. The Committee observes that these conditions have not been achieved in Greece, but that the new Government, which took office in January 2015, has been making efforts during the reporting period to stop economic recession, increase public funding of social security and avoid new cuts to pensions and wages, establishing in this respect one of the so-called red lines in talks with international creditors. In the labour market the Government has moved to restore the institutional framework of collective bargaining and to increase minimum wages so as to introduce a new productive model based on innovations and new markets, rather than on the "internal devaluation" of wages and labour conditions. With regard to pension reform, the Government planned to reinstate Christmas pension bonuses and to find other ways of making the system sustainable, refusing to cut pensions and implement the zero deficit rule for supplementary and main pension funds. Notwithstanding these initiatives, the Committee notes that in August 2015 the Government was compelled to accept the terms of the Brussels group for the third bailout and signed the new MoU, overstepping its red line with regard to pensions in order to save the financial system and the future of Greece in the Eurozone.

The Committee notes that the date of the entry into force of the measures adopted under the new MoU falls outside the reference period of the **33rd annual report**, although some measures are being applied retroactively to pensions established as far back as 2011. It further notes that the list of pension cuts noted here does not include all of those already adopted, or still to be designed, to achieve savings amounting to 2 per cent of GDP. However, it understands that the magnitude of these measures is such that their effective implementation essentially place in doubt the credibility of the social security system in Greece. Recalling that the future of the social security system depends on that of the national economy as a whole, the Committee notes that the parliamentary report, released on 29 October 2015, analysing Greek economic development in the third quarter of 2015, confirmed the return of the Greek economy into recession and a return of rising trends in unemployment, and warned “of a real danger for the country to slide into deeper recession or even long-term stagnation”. However, the report emphasized that this danger could be averted, and identified the most important condition for sustainable recovery in the eradication of uncertainty in both economic policy and the management of the reforms. The parliamentary report noted that uncertainty in these issues was fuelled by the unclear positions on tax issues and improvisation in pension reform and by the negative position of all of the opposition political parties towards almost every measure in the third MoU, despite the fact that the Greek Parliament overwhelmingly voted in favour of the MoU. The Committee is concerned that, by crossing the red line, the new measures are all the more likely to deprive the Greek social security system of its last vestiges of credibility and of the trust of the people, without which it cannot exist. It regrets to note that the new wave of significant pension cuts is continuing the policy of the internal devaluation of the pension insurance system, which is therefore all the more likely to finally compress it into a basic flat-rate or minimum pension scheme. ***In this uncertain situation as to the future of the social security system in Greece, the Committee wishes to express the firm hope that the Government will be able to maintain the viability of its social security system by applying the principles of the organization and financing of social security established by the Code. Taking into account the fact that the new austerity measures are likely to have the effect of accelerating Greece’s debt-deflation spiral once again, the Committee is bound to ask the Government to explain in its next report: (a) how the new pension cuts correlate with its stated intention of steering the country out of recession by giving a social dimension to its economic and fiscal policy; (b) whether in implementing the new MoU, the Act to address the humanitarian crisis, mentioned above, and any other anti-austerity measures taken previously by the Government before signing the MoU have had to be abrogated; (c) whether the inevitable impact of the new social austerity measures on poverty has been fully discussed by the Government with the Brussels group in order at least to mitigate their humanitarian consequences; and finally (d) the Government’s vision of the future trajectory of the national social security system over the next three years of the application of the economic adjustment programme set out in the MoU.***

Legitimacy of the new pension cuts. With respect to the pension cuts decided on under the previous MoU, the Committee notes that in November 2014 the State Audit Council deemed them to be unconstitutional and illegal, and annulled the cuts to the pensions of the armed forces, the police, university professors and National Health System executive medical staff. It also argued that the move was in violation of the European Convention on Human Rights as the State had failed to establish that the cuts to pensions were dictated by reasons of general public or social interest. ***The Committee asks the Government to indicate how this decision has been implemented and to report any other judicial decisions by the higher courts of the country on these issues.***

With respect to the new pension cuts under the terms of the third MoU, the Committee notes that the spending cuts will reach 2 per cent of GDP, or in real numbers €3.6 billion, for the years 2015 and 2016. Cuts in pensions are expected to amount to 0.25–0.5 per cent of GDP in 2015 and 1 per cent of GDP or €2.5 billion in 2016. To implement these objectives, on 15 July 2015, the Greek authorities took the first steps by granting guaranteed contributory pensions only upon attainment of the statutory retirement age, which is 67 years; increasing penalties for early retirement for those affected by the rise in the retirement age; increasing health contributions for pensioners; and freezing minimum pensions in nominal terms until 2021. A number of additional provisions of this type were also included in an Omnibus Act adopted by the Greek Parliament on 14 August 2015. The Ministry of Labour issued a circular reducing minimum pensions, – that is pensions due after 15 years of work, or in the case of disability of 80 per cent, or due to accident, – from €486 gross for IKA pensioners to €392.7 gross with retroactive effect for all IKA pensioners who took retirement as of 1 January 2015. Since that date also retroactively, according to the Official Directive of 12 August 2015, IKA has stopped issuing new old-age, invalidity and survivors' pensions to all claimants below the age of 67 years and with fewer than 4,500 working stamps (days of social insurance contributions). With regard to the new pension cuts requested by the Brussels group, progressive reductions of between 11 and 18 per cent have been applied to pensions of over €1,000, up to the highest pensions of over €2,000. With reference to the creation of strong disincentives for early retirement, which are also requested by the MoU, an additional retroactive 10 per cent penalty will be imposed for the period from the date of retirement to the completion of the new pensionable age for entitlement to a full pension. Those who retired between the beginning of 2011 and September 2015 will have their pensions recalculated. About 75 per cent of public sector and IKA pensioners have taken early retirement, benefiting from various legal provisions that allow them to stop working before the age of 61 years. As of March 2016, welfare benefits (EKAS) for pensioners with low pensions will be abolished for 20 per cent of those who are eligible, while the main pensions are expected to suffer a decrease of 6 per cent and supplementary pensions of 28 per cent. ***The Committee asks the Government to complete the list of measures reducing access to and the level of pension benefits provided in compliance with the Code.***

The Committee notes from the **33rd annual report** that the National Actuarial Authority has confirmed that it has the capability to determine the social outcome of cuts in pension benefits and that the Government has expressed its willingness to provide the National Actuarial Authority with all the necessary data per insured person and per pensioner. ***The Committee expects that the results of this macro-level social impact study of the ten rounds of pension cuts undertaken since 2010 during the period of structural adjustment will be presented in the Government's next report. However, with a view to also assessing the micro impact of pension cuts at the individual level, the Committee would also ask the Government to calculate the overall reduction for a pensioner whose pension(s) amounted, for example, to €2,500 in 2009.*** In so far as the Committee is able to calculate, such a pensioner would have already experienced six cuts to this pension, reducing it to €1,150, which will now be further reduced to €1,000. In carrying out such a social impact assessment of pension cuts on both the macroeconomic level and the micro-human rights level, the Government should bear in mind the most recent concluding observations of October 2015 on the application by Greece of the International Covenant on ECSR, in which the UN Committee on the ECSR “recommends that the State party review the policies and programmes adopted in the framework of the memorandums of understanding implemented since 2010, and any other subsequent post-crisis economic and financial reforms, with a view to ensuring that austerity measures are progressively waived and the effective protection of the rights under the Covenant is enhanced

in line with the progress achieved in the post-crisis economic recovery. The State party should further ensure that its obligations under the Covenant are duly taken into account when negotiating financial assistance projects and programmes, including with international financial institutions.”

The Committee observes that while the Code allows sanctions in the form of the reduction of benefits in the cases set out in *Article 68*, engaging to the extent prescribed the individual responsibility of the person concerned, it does not foresee the imposition of mass sanctions on the persons protected in the form of reductions in the total value of pensions amounting to a prescribed percentage of GDP due to the conclusion of a MoU with international creditors that engages the responsibility of the State to repay the national debt. To prevent such situations, which are unacceptable under *Article 68*, *Article 70(3)* of the Code requires the State to accept, in the first place, general responsibility for the due provision to its citizens of the benefits provided in compliance with the Code and, secondly, to “take all measures required for this purpose” vis-à-vis its international creditors. This general obligation under the Code does not permit the State to repay its international debts by directly subtracting resources from the national pension system, thereby endangering both the financial viability of the system and the standard of living of the persons protected. On the contrary, the Code requires the State to protect pension funds by using all the measures at its disposal, which is the strongest legal language used in the Code to define the obligations arising from it. With regard to the nature of such measures, the Committee is bound to observe that they would include precisely those initiated by the new Government before signing the third MoU and described in its **33rd annual report**. The Committee considers it necessary to recall that it is the obligation of the State to guarantee the due provision of pensions and to protect its pension funds from being used for other purposes, however important they may be, so as to ensure that the pension system is trustworthy and credible in the eyes of the persons protected. In the event of the insolvency of the State, pension claims should be given protection not less than the protection given to workers’ claims in the event of the insolvency of their employer and in any case should have a higher rank of privilege before the international creditors. Finally, nothing in the Code would permit to justify the application of new pension cuts retroactively to pensions duly acquired under the previous legislation in force. The Committee considers such retroactive cuts in benefits to be unlawful and contrary to *Articles 68* and *70(3)* of the Code. ***In order to assess the extent to which Greece has failed to fulfil its general responsibility under the Code, to protect its social security funds and the required pension rights, the Committee asks the Government to calculate in its next report the total value of pension reductions used to generate the direct savings necessary for the repayment of State’s debts, as well as the total value of pension reductions applied retroactively.***

Part II (Medical care). In reply to the question concerning the significant deterioration of health care caused by front-loaded fiscal adjustments, the Government reports the adoption of new legislation undertaking a profound reform of the national health care system. Act No. 4238/2014 establishing the universal, single and decentralized National Primary Health Network (PEDY) specifies that the State shall ensure, guarantee and provide to all citizens such integrated primary care, prevention, diagnosis, treatment, care and health promotion through Primary Health Care (PFY) as is necessary and sufficient to ensure their health and promote their social welfare irrespective of their economic, social, professional and insurance status, or place of residence. The PFY ensures and coordinates the continuity of care, by directing citizens to other levels of the health system. A Joint Ministerial Decision on “Determining conditions, criteria and procedures for access to the pharmaceutical care system for uninsured and financially weak citizens”, issued under section 182 of Act No. 4270/2014, determines the

access of uninsured and financially weak citizens to the health care system. It also covers insured persons who have lost their insurance coverage due to debts to their social security funds and their dependent family members, who are also entitled to free medical care. Finally, Act No. 4320/2015 on “Arrangements for immediate action to address the humanitarian crisis” provides for health insurance coverage for the period between 3 January 2015 and 29 February 2016 for such vulnerable categories as the unemployed aged between 29 and 55 years and self-employed professionals aged between 30 and 65 years, who have ceased their professional activity and remain unemployed and uninsured, and uninsured OGA old-age pensioners who do not receive a pension.

The Committee notes these developments with interest and asks the Government, as this legislation is not available in English, to indicate in its next report the provisions that give effect to each of the Articles of Part II of the Code and in what manner. The Committee also notes the analysis of the health system reform made by the European Commission (EC) in its “Assessment of the Social Impact of the new Stability Support Programme for Greece” published on 19 August 2015 (SWD(2015) 162 final). ***The Committee welcomes the statement by the EC that the health system reforms in previous programmes were “designed to control expenditure in a way that would not compromise standards of health care” and it asks the Government to indicate which standards of health care were not compromised by the widely reported closure of hospitals and health centres, the exclusion of poor citizens and marginalized groups from the health system, higher admission fees and waiting times, and other manifestations of the degradation of the health sector that has contributed to the humanitarian crisis in Greece. Please provide general statistics on the evolution of the health status of the population during the period covered by the economic adjustment programmes.*** The Committee welcomes the creation of the new National Organization for the Provision of Health Services (EOPYY) which provides a uniform package of health services by merging the plethora of earlier health insurance funds, which, according to the EC, “increases the equity of financing and delivery”. It notes, however, that cost sharing in the National Health Service has been increased, which, in conditions of mass unemployment and the inability to pay for health care, may significantly decrease the equity of financing for the better-off categories of the population, and the equity of delivery for poor categories of the population. ***Noting the exemptions introduced for certain categories of patients and persons on low incomes, the Committee asks the Government to indicate whether cost-sharing rules are so designed as to avoid hardship, in compliance with Article 10(2) of the Code.*** The Committee welcomes the measures adopted to extend access to health care to the uninsured, but observes that, following the previous economic adjustment programmes their number is now estimated to exceed 2 million. Legislation adopted in 2014 to remedy the situation included measures aimed at the uninsured to: (i) introduce universal primary care; (ii) free access to secondary care; and (iii) equal access to pharmaceuticals. ***The Committee agrees with the EC that these measures will make the system more equitable, coherent and sustainable and asks the Government to monitor the effectiveness of their implementation in terms of the number of uninsured persons provided with free primary and secondary care and pharmaceuticals.***

Part XI (Standards to be complied with by periodical payments), Articles 65 and 66. Determination of the reference wage. The reference wage used in the **29th annual report** (2011) on the Code and in the 2014 report on Convention No. 102 to calculate the replacement level of cash benefits is determined under *Article 65(6)(a)* as the wage of a “married turner” according to the National General Collective Labour Agreement (EGSSE) of 2010 after one year of contribution (€1,091.25 – insurance class 13) for Part VI of the Code; after 15 years of employment (€1,331.26 – insurance class 15) for Parts V, IX and X; and after 30 years of

employment (€1,462.21 – insurance class 16) for Parts III, V and VIII. The Committee has previously pointed out that the method used to determine the reference wage of a skilled manual male employee does not seem to fully correspond to the methodology described in *Article 65* of the Code and appears substantially lower than the reference wage calculated for a person deemed typical of skilled labour on the basis of Eurostat data for the same year (2010). In reply, the Government states that, according to the competent directorate of IKA-ETAM (Actuarial and financial studies), a turner was selected as an ordinary adult labourer/skilled worker because it is a typical profession exercised by the majority of the labour force in Greece, and it also met the requirements of both *Articles 65* and *66*. The EGSSE of 2010 remains valid until 15 August 2015. The calculation of the reference wage is based on the Collective Labour Agreement of metal craftsmen.

The Committee may understand from this explanation that the majority of the Greek labour force are turners who may be ordinary unskilled turners after one year of employment (insurance class 13) or skilled turners after 30 years of employment (insurance class 16) and thus meet the requirements of both *Articles 65* and *66* of the Code. However, as not all Greek employees are turners, while turners belong by definition to the category of skilled workers, and not unskilled labourers, the Committee further understands that the competent directorate of IKA-ETAM takes as a proxy for the purposes of *Articles 65* and *66* a skilled and unskilled worker in the metals industries whose respective wages are determined by the Collective Labour Agreement of metal craftsmen. If this understanding is correct, the Committee would like to point out that, in accordance with *Article 65(6)(a)*, a skilled manual male employee, whether a turner or a similar metalworker, shall be selected: (a) not from the economy at large, but from the division of the “manufacture of machinery other than electrical machinery” defined by the International Standard Industrial Classification of All Economic Activities, Rev. 4, 2008; (b) not in relation to the years of contributions or employment and the insurance class, but the acquired qualification taken from the highest skill echelon; and (c) from among male metals workers. The same rules would apply to the definition of an ordinary unskilled male labourer under *Article 66(4)(a)* of the Code. With reference to the alternative proposal to select another type of worker (a skilled male worker in the wholesale sector) under *Article 65(6)(b)*, the Government states that the competent directorate of IKA-ETAM does not have the capacity to calculate the benefits to be paid in relation to this reference wage, as the wage is not defined in the collective labour agreement. However, it adds that the proposal to select an unskilled male worker in the wholesale sector under *Article 66(4)(b)* is under examination by the directorate. The Committee finds these statements contradictory and points out that the Code does not require that the wage taken as a reference has to be defined in the collective agreement. ***Bearing in mind these considerations, the Committee requests the Government to refine the method currently used for the determination of the reference wage of the standard beneficiary under Articles 65 and 66 of the Code. Please refer for details to the attached ILO technical note, update the statistical information used in the note, indicate the precise source of the statistical data used for future reference and provide copies of the corresponding provisions of the collective agreements.***

3. ILO Conventions

Social Security (Minimum Standards) Convention, 1952 (No. 102) - Greece (Ratification: 1955)

Observation (CEACR) - adopted 2014, published 104th ILC session (2015)

[Link to pending comments by the ILO supervisory bodies, NORMLEX](#)

Follow-up to the conclusions of the Committee on the Application of Standards (International Labour Conference, 103rd Session, May–June 2014)

The Committee takes note of the information provided by the Government in its report and of the discussion concerning the application of the Convention which took place during the Conference Committee on the Application of Standards (CAS) of the International Labour Conference, at its 103rd Session, in May–June 2014.

In its previous observation, the Committee expressed concern that by maintaining the course of fiscal consolidation foreseen by the Memorandum of Understanding concluded with the “Troika” (that is the European Commission, European Central Bank and International Monetary Fund (IMF)) in conditions of mass-scale unemployment, non-payment of taxes and social security contributions and the huge deficit of the country’s main social security fund, IKA, undermined the financial viability of the national social security system and its capacity to maintain the population “in health and decency” (*Article 67(c) of the Convention*) above the poverty threshold. The Committee therefore urged the Government to closely assess the overall impact of the economic adjustment policies on the sustainability of the social security system and on the rise of poverty, particularly child poverty, and made a number of concrete recommendations to the Government in this respect. From its side, the CAS recalled that the principle of the general responsibility of the State for the sustainable financing and management of its social security system expressed in *Articles 71 and 72* of the Convention required the Government to establish a sound financial and institutional architecture of the social security system and “take all measures required for this purpose”, including in particular the following: maintain the system in financial equilibrium; ensure proper collection of contributions and taxes, taking into account the economic situation in the country and of the classes of persons protected; carry out the necessary actuarial and financial studies to assess the impact of any change in benefits, taxes or contributions; ensure the due provision of the benefits guaranteed by the Convention; and prevent hardship to persons of small means. The Committee examines below the situation in Greece in the light of these recommendations and principles established by the Convention.

Preserving the viability of the social security system. The CAS noted the Government’s statement that times were extremely difficult and the Government had repeatedly been called upon to maintain the necessary balance between providing for social protection standards under Convention No. 102 and meeting the commitments assumed within the framework of the Memorandum of Understanding agreed with the “Troika” and drastically restructuring the institutional framework of the Greek social security system. In its report on the Convention, the Government states that the main economic policy that is still applied in the field of the adjustment programme of the Greek economy is based on both front-loaded *fiscal adjustments* to eliminate the primary fiscal deficit and the *internal devaluation*, in order to recover the loss of competitiveness of the economy. These efforts to correct macroeconomic

imbalances brought a *significant* social impact, resulting in a deep recession and *significant* increases in unemployment and poverty. The impact of fiscal tightening was worse than expected, a fact recognized by the IMF itself, which acknowledged using “incorrect multipliers” in the projections of the impact of the measures implemented.

The Committee notes that the Government uses unambiguous language in acknowledging the fact that the main economic policy it pursued, on the advice of the IMF, has brought a *significant* social impact in terms of creating *significant* increases in unemployment and poverty. The Committee, together with other supervisory bodies of the European Code of Social Security (ECSS), and with the United Nations and European human rights bodies, has identified the pressing need for assessing the social impact of the economic adjustment programmes in Europe. ***The Committee hopes that the Government will take appropriate measures to correct the “multipliers” of its economic policy so as to significantly reduce unemployment and poverty.***

The Committee is pleased to note in this respect that, in the current economic environment, the Government considers it absolutely necessary for the social security system to remain sustainable and for the State to fulfil its obligations towards its citizens and its international obligations. The report informs that the Greek State, whose main objective is the viability of the system, has decided, in accordance with the terms of the Memorandum, to elaborate and apply the necessary political measures aimed at the rationalization and sustainability of the system, of which the report specifically mentions the measures aimed at reducing high pensions and at averting abuses of social benefits through the use of information technology (IT) systems. Progressive reductions are imposed on pensions over €1,000 in order for the burdens to be distributed proportionately to the income of pensioners, and the amounts resulting from these reductions to constitute revenues of the social security bodies. IT systems (Ergani, Ariadne, Ilios and Atlas) preserve the viability and the long-term sustainability of the insurance system by establishing the National Insurance Register and cross-checking electronic data, reducing undeclared and uninsured labour, monitoring payments and averting abuses of benefits. The Social Security Contributions’ Collection Centre (KEAO) established a unified mechanism that deals with the collection of debts and arrears in contributions and marks the first step towards a wider reform aiming at the full integration of social security bodies in the tax administration. The purpose of Insurance Capital for the Generations’ Solidarity (AKAGE) is the creation of reserves to finance pension branches of the social security institutions that will remain “locked” until 2019. Its resources will come from the future privatization of public enterprises and organizations (10 per cent) and from the annual revenues of value added tax (VAT) (4 per cent).

The Committee wishes to acknowledge the significant efforts made by the Government to foster the organization of a viable social security system through, inter alia, computerization, elimination of fraud and undeclared work, strict actuarial oversight and efficient administration, and even through cutting higher pensions to sustain lower pensions in the name of solidarity. However, the Committee still doubts that such measures alone would be sufficient to preserve the viability of the social security system in the current economic situation of the country. It notes that, although the macroeconomic indicators show that the Greek economy might be stabilized, the policy of internal devaluation pursued by the Government resulted not only in the fall of real hourly wages in Greece by 25 per cent in four years, as revealed in *OECD Employment Outlook 2014*, but also in the devaluation of the social security obligations of workers and enterprises sitting on those wages. With regard to workers, some 1.1 million of them are suffering wage arrears ranging from three to 12 months and have become “invisible” to the social security system in terms of contributions and benefits, at risk of losing access to health

care. The report of the Labour Institute of the General Confederation of Greek Workers (INE-GSEE), released in September 2014, calculated that incomes of salaried employees and self-employed professionals, which constitute the contributory base of social security, were reduced in 2010–13, in current prices by €41 billion. With regard to enterprises, the debts and arrears in payment of social security contributions and taxes by small enterprises with up to 49 employees, which make up 99.6 per cent of Greek enterprises, continue to grow, with over one third of them declaring their inability to meet social security and tax obligations in 2014. Enterprises' social security debts and arrears are identified by many economists as the key problem obstructing economic recovery. More generally, the Athens Chamber of Commerce and Industry reported in September 2014 that more than 50 per cent of citizens are unable to meet their obligations to the tax agency and social insurance funds. The abolition of many taxes would additionally deprive the social security system of €1.7 billion. Internal devaluation of social security is amplified many times by surging unemployment and contraction of the number of insured persons. Although only one in ten unemployed workers receives the sustainability of the system is undermined, given that the number of unemployed persons in May 2014, as reported by ELSTAT, who had stopped contributing to the social security system amounted to 1,309,213 unemployment benefits. The Government's report confirms the contraction of the number of insured persons contributing to the system, as well as of the persons receiving various benefits from it. The serious concern over the possible collapse of the social security system in Greece expressed in the previous observation remains fully justified and the recommendations made in it remain valid. With respect to the key requirement of the Convention (*Article 71(3)*) that the viability of the social security system should be assessed periodically on the basis of the necessary actuarial studies and calculations concerning financial equilibrium, the Committee notes that the second actuarial study of the system by the National Actuarial Authority was due in 2014 and, by the end of October 2014, reports on the viability of social insurance funds in Greece were expected to be concluded. ***The Committee requests the Government to summarize the findings of this study in its next report on the Convention, together with the plans for wider reforms of the system mentioned in the report, be it the full integration of social security bodies into the tax administration, the unification of all the different pensions funds into one, or the extension of the guaranteed minimum income scheme to the whole country to become the backbone of the new social protection system in Greece. The Committee understands that the future design of the Greek social security system would very much depend on the conclusions drawn from the above actuarial study "in accordance with the terms of the Memorandum", according to the proviso in the Government's reports. The Committee hopes that, in reforming its social security system, the Government will give effect to the basic principles of the organization and financing of social security established by the Convention and the European Code of Social Security (ECSS), which international experience has consistently shown to provide the best guarantees for constructing viable systems. The Committee wishes to remind the Government in this respect that, acknowledging the unprecedented financial and management challenges of steering the Greek social security system through the crisis, the CAS requested the Office to provide guidance to the Government on reforming its social security system in accordance with the Oslo Declaration of the ILO's 9th European Regional Meeting. The Committee hopes that the Government will not lose sight of the possibility of enlisting the services of the Office if need be.*** The CAS also observed that the continuous contraction of the social security system in terms of coverage and benefits has affected all branches of social security and, in some instances, resulted in reducing the overall level of protection below the levels laid down in *Articles 65–67* of the Convention. ***Recalling that the CAS invited the Government to continue to review the functioning of the social security***

system, the Committee hopes that the introduction of the IT systems will enable the Government to submit, in its next detailed report, statistical data on the basic performance indicators of the system for the period 2010–14, showing in particular, under each of the accepted Parts of the Convention, the changes in the number of persons insured by the main social security bodies, the total amounts of contributions collected and benefits paid, and the accumulated debts and deficits of the social security funds.

Furthermore, the Committee notes, from the public statements of the Minister of Labour, Social Security and Welfare in October 2014, that the Ministry has made efforts to simplify Greece's social security legislation, which represents "a mosaic full of special regimes and loopholes" including 5,436 different laws, some 2,600 court decisions and 26 European or international directives, stretching to almost 39,000 pages. According to the Minister, the simplification process would take 11 months but, that ultimately, Greece would have a social security system "built on healthy and strong foundations". The Committee welcomes the efforts of the Government to make its social security legislation manageable, which is an essential precondition for exercising its general responsibility for the proper administration of the social security system under *Article 72(2)* of the Convention. ***The Committee hopes that the international obligations of Greece under the Convention and the ECSS will figure prominently in this exercise, and would like the Government to indicate the progress made in its next report, highlighting the form and structure to be given to the reshaped body of the Greek social security legislation.***

Social security and reduction of poverty. With regard to poverty alleviation, the Committee notes that the Government is well aware of the social consequences associated with the increasing rates of poverty in Greece and is trying to design and apply policies "within the limits permitted by the implementation of the economic adjustment programme", aimed at the prevention and reversal of poverty, targeted to some extent at restoring social balance and providing relief to the most vulnerable population groups. Among these measures the report mentions: the payment of a social dividend to 564,535 beneficiaries; services providing housing, food and social support for homeless people; exemption from monthly pension cuts for those receiving low main pensions; income tax reductions for low-income and specific categories of persons with disabilities; tax exemptions for certain categories of salaries, pensions and allowances; establishment of a minimum guaranteed income for individuals and families living in conditions of extreme poverty; and other measures, which have been noted by the Committee previously. The Committee also noted in its previous comments that the Ministry of Labour, Social Security and Welfare has set up three national targets incorporated in the National Reform Programme 2011–14, concerning the reduction of the number of adults and children living at risk of poverty and the development of a "social safety net" against social exclusion.

The Committee notes that, before the CAS, the Government recognized that the effectiveness and scope of efforts undertaken so far were limited, due to the impact of the crisis and social budget limitations incurred by the implementation of the economic adjustment programme. The Committee notes, however, that, since the beginning of the financial crisis, the present reports under the Convention and the ECSS are the first ones which do not refer to new cuts and reductions in social benefits. The Committee notes that, while the Government appears not to be in favour of the "Troika's" plans for a second reform of the pension system, implying a further increase of the pension age and reductions in pensions paid by primary insurance funds, it has adopted a new method of calculating the primary pensions of those who retire from 2015 onwards, as well as the so-called clause of "zero deficit" for the supplementary pension funds, which means that, starting from 2015, both lump-sum payments and supplementary pensions

will be adjusted (reduced) depending on the financial situation of each insurance fund. The Committee further notes from the information made public by the Ministry that 393 annual reports of 93 social insurance funds will be reviewed by November 2015 and will give a clear picture of the overall state of the funds. The Committee understands therefore that, in introducing the “zero deficit” clause, the Government did not yet have a clear picture of the reductions this clause would bring in supplementary pensions paid by different insurance funds, many of which are known to have serious financial difficulties. The Committee refers in this regard to the criteria laid down in *Article 71(3)* of the Convention for the exercising by the State of its general responsibility for the due provision of benefits, and hopes that the Ministry has duly carried out the necessary actuarial studies concerning the available means to achieve the financial equilibrium of the funds, and has fully assessed the social impact of the “zero deficit” clause on poverty among their insured population in accordance with the best EU practices. The Committee notes in this connection information provided during the discussion of the case of Greece by the CAS in 2014, that the “zero deficit” clause scheduled to take effect from 1 July 2014 would affect some 4 million people, with their supplementary pensions being cut by 25 per cent. ***The Committee would therefore ask the Government to specify the magnitude of the new reductions in the amounts of the primary and supplementary pensions which would result from the measures mentioned above, as well as the outcome of its negotiations with the “Troika” on the second pension reform.***

The Committee ***regrets*** that the new wave of significant pension cuts is likely to make ineffective a large part of the Government’s reported efforts to reduce poverty. In this context, the Committee observes that the situation of poverty in the country has not improved, notwithstanding the fact that the at-risk-of-poverty threshold has fallen in the last three years by more than €2,000. There is a marked increase of indicators of child poverty and severe material deprivation. The Committee regrets that the report contains no data or indicators on monitoring poverty among different categories of the population and households, which would enable the effectiveness of social transfers and other measures detailed by the Government to be assessed and proved. There is also no indication in the report of the importance of establishing the minimum guaranteed income and other safety net benefits relating to the physical subsistence level determined in terms of the basic needs and the minimum consumer basket. The Committee notes, in this respect, that the new long-term unemployment benefit for persons who have already exhausted their right to regular unemployment benefit, as well as maternity benefit to self-employed women insured by the ETAA, have been established in the amount of €200, which is far below the lowest Eurostat at-risk-of-poverty level of 40 per cent of the median equivalized income (€279 in 2013). ***The Committee requests the Government to explain which criteria were used to calculate the amounts of these new benefits as well as the benefit under the new guaranteed minimum income scheme which, according to the report on the Convention, aims to become the core of the new social welfare strategy for the entire country. Please provide information and data on the evolution of poverty in the country among different categories of the population and households, and explain the progress made in attaining the national anti-poverty targets, specifying the role assigned in this respect to the social security benefits.***

Finally, the Committee notes that, although the report demonstrates a positive attitude to the recommendations made by the Committee, no concrete action is mentioned towards their practical realization either at the national or at the EU level, and that no *ex ante* or *ex post* assessment of the social impact of austerity measures was made. The report repeats that the fiscal space reserved for the application of the Convention and the ECSS and for the anti-poverty measures in Greece is strictly defined by the limits permitted by the implementation of

the economic adjustment programme and the commitments assumed by the Government under the Memorandum with the “Troika”. ***The Committee nevertheless urges the Government to provide substantive responses in respect of the following statements made in the report: (1) that the Government has and will put the issue of the prevention of poverty on the agenda of its meetings with the parties of the international support mechanism for Greece; (2) that the National Actuarial Authority will be in position to determine the social impact of the cuts in social security benefits; and (3) that the actions taken to prevent poverty analysed the most rapid scenarios for reversing certain austerity measures and disproportionate cuts in benefits.***

Part II (Medical care). According to the report, in 2010–11, in one year the number of insured persons for medical care contracted by over 400,000 persons, but since 2012 the competent health services provider (EOPYY), has not made available any data on the evolution of coverage to be included in the report. ***Recalling that the report informs that the National Register of Beneficiaries of health care is established and updated in real time, the Committee requests the Government to provide updated statistics on the number of persons insured under Part II of the Convention.*** The Committee remains concerned by the statements during the discussion of the case of Greece at the CAS in 2014 that the drastic reduction in public health expenditure led to longer waiting times, higher admission fees, co-payment and the closure of hospitals and health centres, and an exclusion of poor citizens and marginalized groups from the health system. People who are unemployed for longer than one year are losing their access to health coverage. The social security system owed the main public health-care provider €421.4 million in contributions which it had collected but had failed to distribute. As a consequence, an increasing number of persons living in Greece are without any or adequate access to health care, the quality of which has degenerated. ***In light of this information, the Committee would like the Government’s next report to include detailed information on the application of all Articles of Part II of the Convention in law and in practice, accompanied by statistical data showing the financial situation of the national health-care system and its performance in terms of maintaining, restoring or improving the health of the persons protected.***

Part XI (Standards to be complied with by periodical payments), Articles 65 and 66. Determination of the reference wage. The reference wage used in the 2014 report on the Convention to calculate the replacement level of cash benefits is determined under *Article 65(6)(a)* as the wage of the “married turner”, according to the Labour Collective Agreement of 2010, after one year of contributions (€1,091.25) for Part VI of the Convention, after 15 years of employment (€1,331.26) for Parts V, IX and X, and after 30 years of employment (€1,462.21) for Parts III, V and VIII. The note in the report states that these calculations concern those who have been insured for the first time up to 31 December 1992. The Committee does not understand the implications of this note on the calculation of the reference wage for 2010 and beyond. It observes, nevertheless, that the method used for determining the reference wage of the skilled manual male employee does not seem to fully correspond to the methodology described in *Article 65* of the Convention and appears to be substantially lower than the reference wage calculated for a person deemed typical of skilled labourers on the basis of Eurostat data for the same year (2010). The Committee would like to point out in particular that, according to *Article 65(6)(a)*, a turner should be selected not in the economy at large but in the division of the “manufacture of machinery other than electrical machinery”, normally in the highest skill echelon and among male workers. ***Furthermore, the Committee asks the Government to confirm that the Labour Collective Agreement of 2010, to which it refers in 2014, is still valid and that the turners continue to receive wages at the level set in 2010.***

With these considerations in mind, the Committee requests the Government to review the method currently used for determining the reference wage of the standard beneficiary under Article 65 of the Convention, as well as to establish, for the purpose of comparison, the reference wage of an ordinary adult male labourer under Article 66.

Maternity Protection Convention (Revised), 1952 (No. 103) - Greece (Ratification: 1983)

Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015)

[Link to pending comments by the ILO supervisory bodies, NORMLEX](#)

Article 4(5) of the Convention. Benefits out of social assistance funds. The Committee notes that women who fail to qualify for cash benefits from social insurance and cannot afford an adequate standard of living are provided with cash sums pursuant to a Maternity Benefit Plan administered by the municipalities of €220 for the period of 42 days before childbirth and €220 for the period of 42 days following childbirth, that is, 84 days in total. According to the Government's report, in 2011, this subsidy was paid to 92 mothers.

The Committee asks the Government to explain: (i) how the amount of €220 was determined and whether it is deemed sufficient for the full and healthy maintenance of the mother and child in accordance with a suitable standard of living, subject to the means test which may be required for social assistance; (ii) what conditions are to be fulfilled by women workers not eligible for social insurance benefits to qualify for this subsidy; and (iii) how the Government intends to extend the subsidy to cover the entire statutory duration of maternity leave of 17 weeks (119 days), in line with Article 52 of the Social Security (Minimum Standards) Convention, 1952 (No. 102), also ratified by Greece, which provides that the duration of maternity benefit may not be limited to a period shorter than the statutory duration of maternity leave.

Part V of the report form. Application of the Convention in practice. The Committee notes that, following certain reforms introduced during the reporting period (adoption of Act No. 3896/2010), the Independent Authority of the Greek Ombudsman now has competence for the promotion and the monitoring of the principle of equal treatment between men and women in both the public and the private sectors, which also includes competence for maternity protection issues. It also notes that a special cooperation procedure has been established between the Ombudsman and the labour inspectorate which is aimed at facilitating inspection and the imposition of sanctions. The adoption of Act No. 3996/2012 gives competence to the labour inspectorate to monitor the implementation of legislative provisions concerning equal opportunities and equal treatment between men and women, including as regards work and family balance. ***The Committee asks the Government to report on the implementation of these new procedures and indicate the ways in which they helped secure better compliance with maternity protection provisions.***

4. EU Country-Specific Recommendations

(the numeration of comments is kept in accordance to the original)

The European Union has set up a yearly cycle of economic policy coordination called the European Semester in 2010. Under the European Semester, the European Commission was given a mandate by Member States to check whether they take action on reform commitments they have made at EU level. The European Semester starts when the Commission adopts its Annual Growth Survey which sets out EU priorities to boost job creation and growth for the next year.

Each year, the Commission undertakes a detailed analysis of EU Member States' plans of budgetary, macroeconomic and structural reforms and provides them with the country-specific recommendations basing its decision on the submitted by each country National Reform Programme and Stability Programme. These recommendations provide tailor-made policy advice to Member States in areas deemed as priorities for the next 12-18 months. The European Council endorses the recommendations after the discussion.

Where recommendations are not acted on within the given time-frame, policy warnings can be issued. There is also the option of enforcement through incentives and sanctions in the case of excessive macroeconomic and budgetary imbalances.

Greece and Cyprus are subject to more regular and separate monitoring under EU-IMF financial assistance programmes, which aim to restore financial stability, boost competitiveness and create the conditions for sustainable growth and job creation. Given the extensive reporting requirements under these programmes, Greece and Cyprus are exempt from the obligation to submit medium-term budgetary plans and reform programmes in April, and therefore do not receive Country-Specific Recommendations.

The Second Economic Adjustment Programme for Greece. Fourth Review – April 2014.

This report provides an assessment of the progress made by Greece with respect to its Second Economic Adjustment Programme, based on the findings of a four-part joint Commission/ECB/IMF mission to Athens between 16-29 September 2013, 28 October-8 November 2013, 2-15 December 2013 and 24 February-17 March 2014. The report examines current macroeconomic, financial and fiscal developments and assesses compliance with programme conditionality.

[Official Website of the European Commission](#)

3. PROGRAMME IMPLEMENTATION

3.2.7. Modernising the healthcare system

66. A period of deepening and fine-tuning of health care reforms has now started, with important challenges lying ahead. Ensuring a better financial situation for EOPYY (the National Organisation for the Provision of Health Services) and improving financing mechanisms and financial flows across the important challenges. In addition, the much needed hospital reform must continue to achieve economies of scale and scope in order to improve efficiency and quality of care and to generate savings. The development of a primary care system based on registration with a family doctor and a referral system is a crucial important

step towards improving access while reducing the use of unnecessary costly specialist and emergency care. Further savings must also be generated in terms of pharmaceutical spending to achieve the 2014 target. Pharmaceuticals policy must be made fully coherent: pricing, reimbursement, prescription, and consumption policies must work together to attain key policy targets for generic prescription and dispensing.

67. The financial situation of EOPYY, remains difficult though significant positive developments can be observed. This follows the implementation of a number of reforms and a closer monitoring of specific budget categories in EOPYY (see Box 10).

- Delays in the transfer of contribution revenues to EOPYY from SSFs remain and the full application of the two clawback systems, which ensure a payback by pharmaceutical companies and private providers of all the expenditure in excess of the legal expenditure ceiling set for specific EOPYY spending categories, is needed to bring EOPYY closer to a balanced situation. The stock of unpaid arrears remains large, though a significant stock of old arrears has been settled. EOPYY continues to pay ESY (NHS) hospitals with a very long delay, while ESY hospitals continue to submit invoices with a significant delay of 3 to 5 months.

- To control consumption and spending, the authorities have adopted closer monitoring and price and quantity control measures. They have introduced a rebate and a clawback mechanism on the spending with private clinics and hospitals for three categories: diagnostic tests, physiotherapy and the use of private clinics and hospitals. Unfortunately, the process of checking claims has due to start in autumn 2013 has faced substantial delays and has only just started. Lack of control, lack of prescription/ clinical guidelines and proper referrals may result in a clawback amount which is nonnegligible.

- Stronger monitoring and control mechanisms and the auditing of claims can help control consumption of health care services reduce the effective clawback amount and ensure that spending stays within budget targets. Nevertheless, improving invoicing and payment mechanisms is needed together with a more comprehensive change to the current resource allocation, budgeting and costing procedures and financial flows across the system. The existing business intelligence and monitoring unit at EOPYY needs to be further reinforced. This process should be intensified in coming months as part of the improvement in the organisational structure of EOPYY.

69. Important steps have been taken on the hospital sector to improve the monitoring of financial and activity data and ensure that financial execution is in line with the budget. Hospital reorganisation is also continuing. Data for 2013 indicates that financial execution will be within the budget in accrual terms. Most hospitals have now been allocated internal controllers and analytical cost accounting has been progressively introduced on the basis of an action plan. The implementation of diagnostic-related groups (DRGs) is going according to plan, although proper DRGs will not be ready for testing prior to 2015. Additional steps are planned in terms of hospital network rationalisation. This may be conducive to a better distribution of staff and heavy equipment across hospitals with the transformation of some inpatient facilities into outpatient and long-term care facilities. Steps taken so far show that reorganisation, if implemented, can lead to important and additional savings in the sector.

70. Nevertheless more could be done regarding ESY facilities and hospital spending in a number of areas.

- Centralised procurement has produced substantial savings, but still covers a minor share of pharmaceutical expenditure and the process appears somewhat stalled. The share of generics, while seeing an important increase, remains below the target set for many hospitals. It

needs to be extended to cover a wider share of hospital purchasing. A substantial number of tenders are in the pipeline but have suffered substantial delays. These should be launched as a matter of urgency.

- Data suggests important variation across hospitals for a wide set of indicators (such as staff and beds, operating costs, average length of stay discharges and surgeries, bed occupancy rates, and use of generics). This suggests that there is considerable room to realise savings. The benchmarking exercise of October 2013 could be used to identify the reform potential in each hospital vis-à-vis its peers and serve as the basis for streamlining the current hospital network. Hospital reorganisation should also consider reforming emergency and on-call structures to increase efficiency and the quality of care and to reduce overtime. Staff mobility is still limited and further steps should be taken to ensure that staff is allocated to areas of need, most notably to less-urban areas.

- **Last but not least, considerable concerns remain that a large albeit still unclear number of people may not have adequate access to healthcare services and goods, although access to health centres and emergency care is available to all.** As a result of the rise in long-term unemployment, there may be a large number of people who do not officially have access to the full range of health services. The authorities have been unable to provide a clear estimate of the number of uncovered people so far. While access to health centres, emergency care and care for chronic disease is still provided, uninsured people may have limited access to medicines, diagnostics and elective hospital care, though authorities report anecdotal evidence that hospitals provide the treatment and simply do not charge any payment. An important step taken by the authorities was the distribution of health vouchers to the long-term ensures full health care access for those living below a EUR 6000 threshold a year. The new primary care law refers to universal access to services provided in ESY health centres across the country. The authorities are currently conducting a detailed analysis of the situation together with the WHO, trying to identify the number of individuals and services not covered. Following calls for guaranteeing universal access to care in Greece, it is crucial that the authorities now identify short term solutions and funding to ensure a sufficient package of services and goods for the uninsured, while working towards a longterm more structural solution. Several policies could be considered and as a first step the authorities are

setting aside EUR 20 million to increase coverage of the uninsured. Clarifying and simplifying the administrative processes to obtain poverty booklets and to qualify for existing EOPYY coverage schemes is an obvious policy. Assessing the plethora of existing coverage mechanisms (booklets, vouchers, special authorisation for urgent treatment), their rules (thresholds, duration, etc) and their connection would also be appropriate. Another policy, which the authorities appear to be considering according to media reports, is to allow and/or help individuals pay for current health insurance contributions if they are long-term unemployed, uninsured senior citizens, professionals who are not working and are not covered by their fund, and professionals who are active and suffer from chronic health problems and/or owe money to their fund. In this context, other countries' experiences can provide examples of how in a social insurance system coverage of the uninsured can be improved.

3.2.8. Reforming the pensions system

71. Since 2010 substantial progress has been achieved in the reform of the pension system but important challenges remain. The reforms of the main pension system have revised the main parameters, added much needed transparency to the system and put the system on a more sustainable path. However, the main pension system remains highly fragmented, with four main funds and three smaller funds, relies on increasing financing from

state transfer to cover for existing deficits, and pension rules still differ greatly across different categories of population with some elements of unfairness in the accrued benefit remaining. There is a clear need for further rationalisation of the system.

72. The 2012 reform of supplementary pensions has still to be implemented in full. Important steps have been taken with the adoption of the 4052/2012 Law and respective Ministerial Decree. The new legislation revised the parameters and calculation of supplementary pensions, introducing a new formula based on an actuarially-neutral calculation of pension benefits (a "notional defined contribution" system), topped up by a sustainability factor to guarantee the future sustainability of the system. Moreover, under the same Law, several funds under the Ministry of Labour have been merged into a new single fund (ETEA). This simplified the overly fragmented system and introduced a better link between contributions and benefits. However, not all funds that fall under the ESA95 definition of general government have yet been merged into ETEA. Moreover, the authorities have failed to rebuild contribution histories since 2001 for the calculation of the pro-rata as envisaged in the Law. As a result, the pro-rata calculation will now be done only as of 1 January 2014 and only for those funds that have been merged into ETEA. This will have implications for ETEA supplementary pensions as of 2015 and for the overall spending for supplementary pensions. Existing legislation needs to be adjusted in the coming months to ensure the application of the new "notional defined contribution" formula, topped up by a sustainability factor, to all funds outside ETEA that are part of general government and to merge all these funds into ETEA. The authorities have committed to ensure that the fiscal sustainability factor deficit. For a very limited number of funds that technically cannot be merged into ETEA at this stage, the same rules would be applied from 1 January 2015, when all supplementary pension funds would only be financed by own contributions.

73. The reform of lump-sum pensions also needs to be completed. The implementation of this reform has started, effective since 1 January 2014, in order to eliminate the deficits in these funds. Nevertheless, a number of lump sum schemes have been left out of this reform process. All funds that fall under the ESA95 definition of general government should now also join the ongoing reform process, effective from 1 January 2015, when all lump-sum funds would only be financed by own contributions.

74. The authorities have committed to enhance the pension system to ensure its viability and support labour supply. To address remaining short- and long-term concerns, the authorities intend to consolidate pension fund administration and enhancing efficiency; ensure that the consolidated system (excluding budgetary transfers related to social assistance functions) is actuarially balanced through the next decades; contain pension spending to ensure short- to medium-term compatibility with the MTF targets, by recalibrating pension system parameters and containing the state subsidy to the pension system; and establish close links between contributions and benefits in all pension funds to ensure actuarial fairness. A draft comprehensive proposal on the main elements of SSF consolidation, harmonizing contribution and benefit payment procedures, is expected by June 2014, to be subsequently complemented by an actuarial study of the whole pension system, supporting specific design and parametric improvements to be legislated with a view to take effect from 1 January 2015.

3.4. STRENGTHENING LABOUR MARKET INSTITUTIONS, PROMOTING EMPLOYMENT AND DEVELOPPING SOCIAL SAFETY NETS

3.4.1. Labour market reforms

89. The employability of the long-term unemployed will be helped by changes in the minimum wage structure. Minimum wages in Greece evolve according to the work experience of each worker, with additional so-called maturity allowances adding up to a maximum of 30% over the minimum wage. These allowances have already been reduced in early 2012 and have been frozen for the medium term. However, the allowances are maintained through unemployment and can create difficulties for long term unemployed people who find themselves priced out of the labour market as the decline in their skills due to inactivity is not matched by a reduction in allowances. The authorities agreed in halving the allowances for white-collar workers over the age of 25 that have been unemployed for more than one year. This approach is designed to tackle the specific issue of long-term unemployment – currently almost 1 million persons in Greece – and leaves the allowances in place for the employed and for those unemployed on a transitory basis.

91. Legislation on temporary work and temporary work agencies is being reformed. Revisions to the framework for employment through temporary work agencies have been agreed to broaden the types of work, positions and contracts for which hiring through temporary work agencies is possible and reduce restrictions on hiring via agencies e.g. following redundancies for economic reasons. This is expected to improve the flexibility for businesses to adjust to the upswing in economic activity and changes in their hiring needs. The principle of equal treatment between direct employees of the user firm and workers hired under agencies remains in place as before, thereby ensuring a level playing field. There were also some discussions with the authorities on fixed-term contracts that concluded that the current framework, previously revised in 2010, is broadly sufficient, since it strikes a good balance between flexibility needs and prevention of abuse of fixed-term contracts.

93. At the same time, a significant reduction of social contribution rates is taking place (see section 3.1.2). Contribution rates in the main social security fund (IKA) will be reduced by 3.9 percentage points as of July 2014. The reduction will be mainly in employer-paid contributions with a 1 percentage point reduction in employee-paid contributions: the former will directly reduce labour costs, the second will increase net wages and encourage labour supply. The impact of these changes will be assessed by mid-2015 and a possible further cut by 1 p.p. in a budgetary-neutral way will also be discussed at that time. The Greek authorities also agreed to prepare a comprehensive plan to streamline social contribution rates, structures and pension portability. Together with other reforms in the area of pensions as described in section 3.2.8, these ambitious steps have inter alia the potential of increasing incentives for labour market participation and helping mobility across sectors and occupations.

3.4.2. Social safety nets

95. Improving social safety nets is an urgent policy priority. Greece has been historically a country with a welfare system quite limited in scope. Faced with the current major challenges, there is now growing awareness in the country that the current welfare system urgently needs a major overhaul to better support both transitions across jobs and the needy. Indeed, strengthening the welfare system and improving social safety nets within the current budgetary envelopes by increasing effectiveness and efficiency of welfare spending are urgently needed to create a fiscally sustainable, integrated and costeffective welfare system in Greece.

96. Dealing with the very high unemployment rate is a major challenge. In late 2013, the authorities expanded the criteria for providing unemployment assistance to the long-

term unemployed, yet a large share of them remain ineligible for this extended assistance. The authorities have been implementing their employment action plan to address the social emergency on the basis of some key active labour market policies. There was an expansion of short-term and temporary public work programmes with 50,000 positions mainly for the long-term unemployed, and subsidised internships of 45,000 young jobseekers with private sector employers. A new round of temporary public work programme with at least an additional 50,000 places and further youth internships, under a stricter monitoring and controlling legal and institutional framework to ensure avoidance of fraudulent behaviour, will be considered for 2014. The authorities are also implementing the reform of the Greek public employment service, which can be key to help many unemployed in finding their way back to the labour market. A good roll-out of the Youth Guarantee scheme by December 2014 is of the greatest importance to reduce youth unemployment and facilitate the much needed transition from school to work.

97. A comprehensive review of social welfare and social protection spending is to be carried out by June 2014. The purpose is to take stock of the full set of the various existing benefits gathering detailed information on a consistent and comparable way. Reviewing the effectiveness of the various benefits in reaching their target population and addressing their objective as well as identifying gaps in the coverage of the current social protection system are other key objectives. Parts of this exercise are expected to be carried out in conjunction with the social security review outlined in section 3.2.8.

98. Profiting from the insight of that review, a strategy on social welfare and inclusion should be prepared in the second half of the year. The overarching objective is to increase the effectiveness of social welfare spending. Existing benefits can be consolidated and streamlined with the intention of creating the fiscal space, within the programme fiscal targets and consistent with fiscal sustainability, to provide targeted support for vulnerable groups with the strongest needs of income support and with currently no and very weak entitlement to social transfers. In the meantime, the government announced interventions in 2014 for income support for vulnerable at risk of extreme poverty, where households with annual taxable income below EUR 6,000 will benefit from the proposal.

99. A guaranteed minimum income scheme is being created. It will start on a pilot basis in two areas of the country and a phased-in national roll-out should start in the course of 2015, depending on the availability of financing. This sequential approach is justified by the need to develop and test the scheme on its various dimensions, ranging from eligibility criteria and selection beneficiaries, to determination of benefits and the activation of the beneficiaries, to setting the administrative infrastructure, including an effective monitoring and controlling mechanism. An integration of the guaranteed minimum income scheme with other social benefits and services is envisaged. Before advancing to the national roll-out, the pilot experiences will be evaluated by March 2015, to fine-tune the design of the scheme. The World Bank is assisting the Greek authorities in the implementation of the pilots.

Annex 1: Assessment of compliance with the Memorandum of Understanding on Specific Policy Conditionality

I. Assessment of actions taken prior to the disbursement, included in the 10th updated

Memorandum of Understanding – as of 16th April 2014

Social security reform

37. Lower Social Security Contribution rate by 3.9 percentage points. In order to improve competitiveness, foster employment creation, and to safeguard the long-term sustainability of the social security system, the Government will adopt legislation to reduce IKA contribution rates by 3.9 percentage points in a revenue-neutral way, inter alia by eliminating unnecessary non-pension and non-health contributions/expenditures and increasing efficiencies, to be implemented by 1 July 2014. This rate cut is achieved by mostly reducing employer-paid non-pension contributions.

Status – observed.