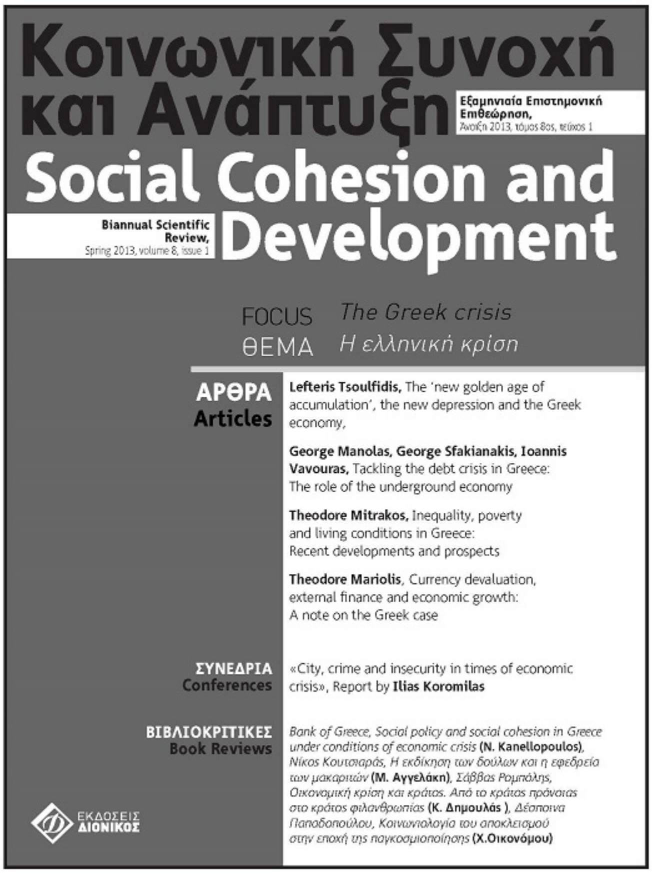
Social Cohesion and Development

Vol 8, No 1 (2013)

The Greek crisis



Social policy and social cohesion in Greece under conditions of economic crisis, Bank of Greece, Athens 2012

Nikolaos C. Kanellopoulos

doi: [10.12681/scad.10006](https://doi.org/10.12681/scad.10006)

To cite this article:

Kanellopoulos, N. C. (2013). Social policy and social cohesion in Greece under conditions of economic crisis, Bank of Greece, Athens 2012. *Social Cohesion and Development*, *8*(1), 67–68. https://doi.org/10.12681/scad.10006

Κοινωνική Συνοχή και Ανάπτυξη 2013 8 (1), 67-75
Social Cohesion and Development 2013 8 (1), 67-75

Social policy and social cohesion in Greece under conditions of economic crisis,
Bank of Greece, Athens 2012

The volume *Social policy and social cohesion in Greece under conditions of economic crisis* contains the papers presented in a conference held at the Bank of Greece in Athens in April 2011, when Greece had already been in deep economic depression and a fiscal adjustment programme was implemented as outlined in the Memorandum with Troika. The papers, under different theoretical perspectives and using a rich set of information, deal with the development and problems of social policy during the three decades prior to the current great economic crisis as well as its evolution since then.

It is worth noting that the Governor of the Bank of Greece Professor Provopoulos in his introductory address focuses the main problem of the Greek social policy on its inherent structural distortions rather than on money shortage. The first main paper by Sir Antony Atkinson highlights the intergenerational character of current national debt which includes outstanding state pension rights, implying that economic and social policy should be considered under a unified prism, as any economic policy to overcome fiscal crisis will have intergenerational implications in many dimensions. The author argues that since debt burden can be shifted to future generations it is essential to establish an intergenerational compact. Although Atkinson acknowledges that the task of Greece to reduce its deficits and at the same time to tackle poverty seems impossible, he proposes the adoption of a basic income scheme, instead of a targeted social policy, which will be financed by a mix of intergenerational and vertical (higher taxation) redistribution. It is unfortunate that Atkinson's paper has not been translated into Greek to dissolve many prevailing myths.

In the second paper Mitrakos and Tsakloglou explore the evolution of the size and structure of economic inequality, poverty and social welfare from 1974 to 2008, that is before current crisis. The authors, using information from various household's surveys, conclude that economic inequality as well as relative and mainly absolute poverty declined yet not linearly during the examined period, which combined with significant increase of average incomes led to a substantial progress of social welfare and living conditions as indicated by generalized Lorenz curves. Mitrakos and Tsakloglou credit the decline of inequality to reduction of within socioeconomic groups inequality rather than in between socioeconomic groups inequality or to demographic changes.

In the third paper Matsaganis and Leventi, using the tax-benefit EUROMOD model, try to gauge how economic crisis, as well as the 2010 austerity measures have changed income distribution and poverty. The authors estimate that while there is minimal effect on inequality, there is an increase between 0.8 to 5.4 percentage points of poverty, depending on the definition. They find that the austerity measures undertaken by the Greek government were progressive but had small redistributive effect in relative terms and more important in the absolute poverty. While Matsaganis and Leventi argue that austerity measures contribute to the crisis, they highlight the significant role of more fundamental problems such as the weak production structure, low competitiveness, etc.

In the fourth paper Dafermos and Papatheodorou utilize European macroeconomic data for the period 1994-2008 to estimate the determinants of aggregate relative poverty rate. They conclude that the main inhibitory forces of relative poverty are the per capita GDP and social transfers as percentage of GDP. They also argue that social democrat or corporatist social security systems are in this respect more efficient and so in the corresponding countries an increase in the per capita GDP reduces poverty more compared to Mediterranean or liberal countries. Exploiting these findings the authors anticipate that in Greece relative poverty and standards of living will not improve in the years to follow.

In the fifth paper Lyberaki and Tinios discuss the characteristics and interactions between the formal and informal social security networks and show that the unchanging features of the formal sector contribute to the creation and deepening of crisis. The authors argue that, contrary to the usual Keynesian tenet, '*the formal security network operates as an automatic destabilizer of the economy*' (p.134). In the last section of their article Lyberaki and Tinios identify policy measures that would promote the goals of fiscal consolidation and social policy without destroying the contribution of informal social network solidarity.

In the sixth paper Maniatis and Gousiou under a Marxian perspective calculate the net social wage in Greece, Spain, France, Italy and Portugal as a means to argue that the working class cannot be held responsible for the fiscal imbalances and the accumulated public debts. They claim that the benefits of the working class from the state are systematically lower compared to the taxes they pay. Thus, Maniatis and Gousiou reach the conclusion that workers are not responsible for the fiscal difficulties their countries encounter.

In the final paper Zografakis and Mitrakos construct a new index approximating household's risk of low income from work. Higher values of the index indicate higher probability of a low labour income household. They estimate that the index increased substantially by 32.3% between 2009 and 2011 and it is systematically higher for the less educated, immigrants, young individuals, unqualified workers and the unemployed. Thus, the authors conclude that any policy to prevent or combat this adverse situation must be targeted to specific vulnerable groups, enhance their human capital and facilitate their access to the labour market.

To conclude the main strength of this worth reading book, which is available online for free, is the plethora of information it contains and the different theoretical perspectives used by its contributors.

Nikolaos C. Kanellopoulos,
Centre of Planning and Economic Research (KEPE)

Κουτσιαράς, Νίκος,
Η εκδίκηση των δούλων και η εφεδρεία των μακαριτών,
Αθήνα, Εκδόσεις Παπαζήση, Αθήνα 2012

Απευθυνόμενη στους καθηγητές της Οικονομικής Σχολής του Λονδίνου το Νοέμβριο του 2008 η βασίλισσα της Αγγλίας εξέφρασε την απορία της για την αδυναμία των πρώτων να προβλέψουν την κρίση. Έκτοτε, σημαντικός αριθμός αναλύσεων και μελετών έχει δει το φως της δημοσιότητας απευθυνόμενες σε ειδικούς και μη και έχοντας ως αντικείμενο (μεταξύ άλλων) την ανάλυση των αιτίων της κρίσης, την εξέταση των επιπτώσεων της σε σειρά τομέων πολιτικής, τη διατύπωση προτάσεων για την έξοδο από αυτή. Το βιβλίο του Ν. Κουτσιαρά «Η εκδίκηση των δούλων και η εφεδρεία των μακαριτών» θα μπορούσε να αποτελεί μια ακόμα συμβολή στη σχετική βιβλιογραφία˙ ωστόσο –όπως πολύ γρήγορα αντιλαμβάνεται ο αναγνώστης- είναι κάτι πολύ περισσότερο.