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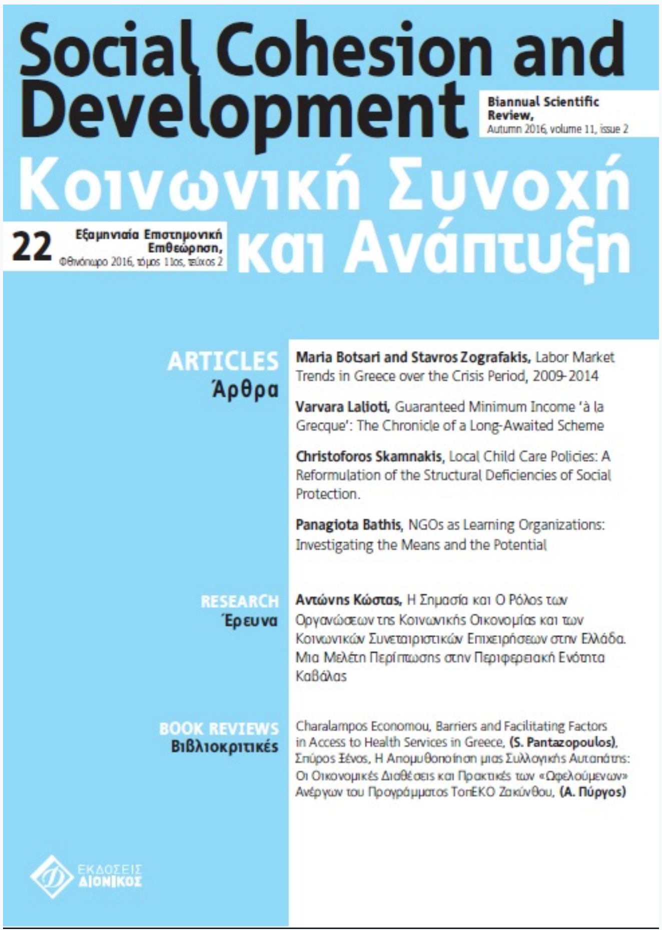

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Guaranteed Minimum Income 'à la Grecque': The Chronicle of a Long-Awaited Scheme

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Η Ελληνική Εκδοχή του Ελαχίστου Εγγυημένου Εισοδήματος: Το Ιστορικό Ενός από Μακρού Αναμενόμενου Προγράμματος

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ABSTRACT

This article chronicles the history of the guaranteed minimum income (GMI) in Greece, a third-generation social assistance scheme targeted at individuals and families facing extreme poverty. Greece has only recently experimented with the scheme, with full nationwide implementation being expected in January 2017. Drawing on an extensive range of primary and secondary sources and interviews with key stakeholders, the article first highlights how the indifferent and segmented attitudes of political parties, within an environment marked by the hesitant attitude or even absence from the GMI debate of other types of social and political actors who had influenced that debate in other countries, led to long-term inertia over the GMI. Moreover, the relatively recent decision to implement the scheme should be viewed in the light of the severe implications of the crisis and austerity measures. The article additionally focuses on the evaluation of the GMI pilot programme and shows how, despite its obvious utility, the evaluation underscores chronic problems of the Greek state, such as the improvisatory nature of policy-making, including the lack of an effective design for the evaluation process itself.

KEY WORDS: Guaranteed Minimum Income, Greece, extreme poverty, crisis, policy design and evaluation.

ΠΕΡΙΛΗΨΗ

Το παρόν άρθρο καταγράφει την ιστορία του ελαχίστου εγγυημένου εισοδήματος στην Ελλάδα, ενός τρίτης γενιάς προνοιακού μέτρου, το οποίο στοχεύει σε άτομα και οικογένειες που βιώνουν ακραία φτώχεια. Μόλις πρόσφατα εφαρμόστηκε στη χώρα ένα πειραματικό πρόγραμμα ελαχίστου εγγυημένου εισοδήματος, με την υλοποίηση σε εθνικό επίπεδο να αναμένεται τον Ιανουάριο 2017. Χρησιμοποιώντας ευρείας έκτασης πρωτογενείς και δευτερογενείς πηγές, καθώς και συνεντεύξεις με άτομα που έπαιξαν κεντρικό ρόλο στη συζήτηση για το ελάχιστο εγγυημένο εισόδημα, το άρθρο αναδεικνύει πώς η αδιάφορη και κατακερματισμένη στάση των πολιτικών κομμάτων, σε ένα περιβάλλον που χαρακτηριζόταν από τη διστακτική στάση ή και την απουσία από το δημόσιο διάλογο για το ελάχιστο εγγυημένο εισόδημα κοινωνικών και πολιτικών φορέων που επηρέασαν τη σχετική συζήτηση σε άλλες χώρες, οδήγησε σε μακροχρόνια αδράνεια σε αυτό το πεδίο. Η πρόσφατη απόφαση για την υλοποίηση του προγράμματος συνδέεται με τις σοβαρές συνέπειες της κρίσης και των μέτρων λιτότητας. Το άρθρο υπογραμμίζει πώς η αξιολόγηση, εκτός των άλλων, αποκαλύπτει και τα χρόνια προβλήματα του ελληνικού κρατικού μηχανισμού, όπως είναι ο αυτοσχεδιαστικός χαρακτήρας του τρόπου διαμόρφωσης πολιτικής, συμπεριλαμβανομένης της έλλειψης αποτελεσματικού σχεδιασμού ακόμη και για την ίδια τη διαδικασία αξιολόγησης του προγράμματος.

ΛΕΞΕΙΣ-ΚΛΕΙΔΙΑ: Ελάχιστο Εγγυημένο Εισόδημα, Ελλάδα, ακραία φτώχεια, κρίση, σχεδιασμός και αξιολόγηση πολιτικής.

1. Introduction

Social assistance schemes, such as the guaranteed minimum income (GMI), are relatively under-researched. Social policy analysts and scholars usually prefer to probe into other policy areas (e.g. pensions, health) rather than the field of social assistance. Although there are difficulties in finding a common, acceptable definition of social assistance, it refers more often than not to benefits and services, the allocation of which is based upon means-testing; i.e. the assessment of a claimant's means (Alcock, Erskine and May, 2002: 145-6, 226). Given that social assistance is provided only to citizens whose income and/or capital resources are below a fixed level, means-testing is therefore used as the equivalent of 'poverty-testing'. Social assistance provisions are targeted at vertical redistribution, from the rich to the poor (Hills, 2004: 185-6).

The GMI is a third-generation social assistance scheme. This means that it combines the 'traditional' monetary allowance, which usually covers the difference between a household's actual resources and the income that the household should have according to a sum established for a specific region or country, with programmes that aim at the social integration or reintegration of the qualifying beneficiaries (e.g. vocational training programmes, second chance schools, etc.) (Kazepov, 2011: 106).

While in the 1990s the lack of such a safety net was regarded as a basic feature of the rudimentary social assistance model characteristic of southern Europe (Gough, 1996: 13; Gough et al., 1997), by the 2010s Greece was the only southern European country (and one of the very few European countries) not to have even experimented with a GMI. A decision to institute a pilot GMI was taken only in 2012 and two GMI programmes were run in 2014-2015 and 2016 (in 13 and 30 municipalities respectively). Full-scale implementation throughout the country is expected in January 2017.

Against this backdrop, drawing on an extensive range of primary and secondary sources and interviews with key stakeholders, this article chronicles the history of the Greek GMI, from inertia to policy change, including the evaluation of the scheme. The article seeks to contribute to the fast-growing literature on the GMI and social minima in general (see e.g. Bahle, Hubl and Pfeifer, 2011; Marx and Nelson, 2013; Jessoula et al., 2014). The severe implications of the recent crisis have revived the discussion on whether these schemes are effective in combating poverty and triggered a series of academic studies. The respective literature attempts, inter alia, to explain the different timing and development of GMI schemes in different countries, as well as the impact of a range of variables such as family structures, the administrative ability of a state, the extent of the underground economy, the pressure exerted by poverty and unemployment and the role of partnerships.

This should be viewed in conjunction with the literature on the sui generis Greek GMI experience, which has been at the centre of the analysis by prominent social scientists such as Matsaganis (2004 and 2013) and Matsaganis and Leventi (2012), as well as the central theme of a 2013 collective volume of the National Institute of Labour and Human Resources. More rarely, the Greek GMI experience has been part of the comparative analysis of the GMI pathways taken by different (usually southern European) countries (see e.g. Matsaganis et al., 2003; Ferrera, 2005; Lalioti, 2013, 2014 and 2016).

The following sections provide the reader with a brief overview of the GMI experience in Greece and the major points on the GMI trajectory, from the introduction of the issue into the national policy agenda to the decision to experiment with a pilot scheme. The analysis then discusses the evaluation of the GMI pilot, followed by the final GMI act and the conclusions.

2. The Road to Inertia

As in the rest of southern Europe, the pressures of Europeanization sparked a discussion in Greece in the 1990s about establishing a GMI. In 1998, Georgios Sourlas, a deputy from the centre-right New Democracy party (Νέα Δημοκρατία, ΝΔ, ND), who represented ND's social/populist wing, was the first to submit a parliamentary motion for a GMI. At this time, there was a Panhellenic Socialist Movement (*Πανελλήνιο Σοσιαλιστικό Κίνημα*, ΠΑΣΟΚ, PASOK) government and ND was in opposition.

In order to move social conservatives within his own party, Sourlas made a specific reference to economic misery as disastrous for the central cell of the Greek nation, defined as the family. For the sake of the family, the proposed GMI was expected to be comprised of a monetary allowance that would be complemented by the provision of in-kind benefits, such as food, bed linen and shoes.

Nonetheless, many of the ND deputies to whom Sourlas appealed for support expressed fears that the scheme would benefit mainly foreigners. In an (unsuccessful) effort to convince ND deputies to support it, the motion's final version stipulated that beneficiaries would only be Greek citizens who were permanent residents.

Just as with the reluctance of his own party's deputies to support the motion, the ensuing parliamentary debate (July 1999) was indicative of the minimal interest among all Greek political parties towards establishing a GMI mechanism (Parliamentary Proceedings, 1999: 489-510). The PASOK representative argued, inter alia, that the motion submitted by Sourlas and 14 MPs from ND was characterized by an exaggeration of the extent of poverty in Greek society and that it overlooked existing policies that were targeted at low-income groups. The 'Coalition of the Left and Progress' (*Συνασπισμός της Αριστεράς και της Προόδου, Synaspismos*) representative underscored two major reasons as to why her party would reject the motion: Sourlas' proposal would lead to the 'ghettoization' of a large share of the population that faced serious social problems; and, because the motion contributed to the one-dimensional development of 'allowance policies'. The Greek Communist Party (Κομμουνιστικό Κόμμα Ελλάδος, ΚΚΕ) opposed the motion on the grounds that the problem of poverty should be solved by securing the right to employment, not by introducing policies which failed to address the deeper causes of the phenomena that afflicted the working class. Sourlas' motion was voted down without the need for a roll call of deputies voting for and against.

After the PASOK victory in the April 2000 elections, and despite the party's assertions about the inappropriateness of a GMI scheme, it was now the Socialists' turn to put the GMI on the agenda. The Minister of Labour and Social Insurance, Tasos Giannitsis, formed a group of experts to discuss anti-poverty measures, GMI included. That group, nonetheless, soon abandoned the idea of a GMI, arguing that the causes of poverty often differed for different groups within the population, so that the scheme would be inadequate in combating them. They instead proposed an increase in activities and interventions focused on select groups, a strategy that was adopted by the government (Ministry of Labour and Social Insurance, 2001: 7-19).

Interviews with key stakeholders suggest that the abandonment of the proposed GMI was also due to three main reasons. First, the government had opted for measures that could be regarded as functional equivalents to a GMI, such as an expansion of means-tested benefits, along with an increase in the 'pensioners' social solidarity supplement' *(Επίδομα Κοινωνικής Αλληλεγγύης Συνταξιούχων*, ΕΚΑΣ, EKAS). Second, the Ministry of Finance and its Minister, Nikos Christodoulakis, opposed a GMI and instead favoured a negative income tax system, in which individuals earning up to a certain income level would pay no taxes. Third, the social and political environment was hostile to the scheme, as exemplified by the unions' fierce reaction to the government's stated intention to reform the social insurance system. Even prominent labour movement cadres who did not oppose the GMI feared that it would lead to the open contestation and subsequent abolition of the national minimum wage and a decrease in the minimum pension (Lalioti, 2013: 319-20).

The subject was to create internal cleavages in the ruling party. On 6 December 2000, PASOK deputy Theodoros Tsoukatos, an associate of prime minister Kostas Simitis whose relationship with the prime minister had recently deteriorated (To Vima, 2008), submitted a bill to Parliament for the introduction of a national GMI signed by 52 of PASOK's 158 deputies (out of a 300-member Parliament). The prime minister saw the tabling of the proposal, at a time when the government had already opted for alternative policies, as a vengeful act of internal opposition (*Ethnos on Sunday*, 2000). Simitis' spokesman described the move as unfortunate and Tsoukatos' proposal was never discussed.

In July 2003, the authors of the 'National Action Plan for Social Inclusion, 2003-2005' once again rejected the GMI option, claiming that a GMI could also be achieved by benefits aimed at those individuals and groups in greatest need (Ministry of Labour and Social Insurance, 2003: 30-2). Similarly, rumours of the government's intention to establish a GMI on the eve of the 2004 elections were soon proved wrong in practice (Matsaganis, 2004: 23).

Other parties on both the right and left sought to explore and exploit the 'power resources' associated with the scheme's introduction, more often than not before general elections. The ND leader Kostas Karamanlis flirted with the prospect of implementing a GMI, when both in opposition and in government (Matsaganis, 2004: 22-5; Tsouparopoulos and Triantafyllou, 2006). Indicative of this is the fact that on the eve of the 2004 elections, Karamanlis asked the party officials responsible for ND's social policy agenda to elaborate a plan for the possible implementation of a GMI. The result was a lengthy study, which included various suggestions on the introduction of a GMI mechanism. However, partly because of internal opposition to the GMI scheme within ND and partly because of the political cost associated with the abolition of a large number of welfare benefits, the conservatives quickly abandoned the idea of establishing a national GMI (Lalioti, 2013: 324).

The 'Coalition of the Left and Progress', at that point the weaker party on the fragmented Greek left, was the only party to draft and submit bills for a GMI to Parliament in 2002 and 2005 (in 2005 under the party's new name of 'Synaspismos-Coalition of the Left, Movements and Ecology', *Συνασπισμός της Αριστεράς, των Κινημάτων και της Οικολογίας*). The first was never even discussed, however, because it was tabled after the statutory deadline for parliamentary debate. The second bill was blocked from a vote on the grounds that the Greek Constitution (Article 73, Paragraph 3) permits no legislation to be passed that would cause a significant budget increase *(*Parliamentary Proceedings, 2005a and 2005b*).*

While these circumstances reveal, once again, the minimal interest of the Greek political *system in the establishment of a GMI, the discussion of the 2005 motion submitted by Synaspismos also confirms the negative stance towards the GMI that was largely dominant among all political parties* (Parliamentary Proceedings, 2005b: 2149-75). ND's 'official' position was against establishing a GMI, *for two main reasons: the lack of a mechanism for keeping a record of those truly in need; and the country's bad financial situation*. High-profile PASOK members claimed, inter alia, that the institutionalization of a GMI might lead to the retrenchment of purchasing power among the financially weak. The KKE representative argued that rejection of a GMI was a matter of principle, since establishing a GMI practically meant abolishing the minimum wage and GMI beneficiaries would end up being used as cheap labour by capitalists. Finally, as Dragasakis admits, even within Synaspismos there was confusion over the concept of a GMI (Lalioti, 2013: 330).

Yet, before the onset of the crisis in 2008, the GMI card was to be played for the last time on the eve of the 2007 elections, this time by ND. Georgios Alogoskoufis, the Minister of Finance, commissioned the Centre of Planning and Economic Research (*Κέντρο Προγραμματισμού και Οικονομικών Ερευνών*, ΚΕΠΕ, KEPE) to produce a study on the possibility of implementing a GMI; but, once again, the government was to abandon the plan. The reason for this was the continuing internal opposition within ND on the issue, and, above all, the indifference that characterized a large part of the party's cadres towards the needs of the financially weak (Lalioti, 2013: 333).

Although fear of the financial burden at a time when integration with the European Monetary Union was the top policy priority (Matsaganis, 2004: 20) as well as the meagre administrative capacity of the Greek state (Matsaganis, 2012: 115-6) are often cited as reasons for the long-standing inertia towards the GMI, both reasons are weak. First, the programme was affordable (Matsaganis, 2012: 115, especially note 6). Second, purely 'institutionalist' arguments cannot suffice when accounting for policy outcomes, since they suggest unrealistic levels of state autonomy and a dichotomy between state and society (Lalioti, 2016: 81).

Overall, for almost a decade, the GMI debate was characterized by the isolated initiatives of a few political actors and the segmented interests of others, more often than not in the run-up to national elections. Furthermore, in stark contrast to what happened in other southern European countries, the (minimal) GMI debate in Greece was typified by the hesitancy or absence from the debate of social and political actors that had played key roles in the establishment of GMI schemes in other countries. The reluctant attitude of the Greek labour movement towards the GMI was an expression of its interest in protecting well-established provisions, which the GMI was thought to endanger. At the same time, the relatively limited involvement of the Greek Church in the field of social assistance (Lalioti, 2013: 276-82; Petmesidou and Polyzoidis, 2013) and the fact that Christodoulos, the Archbishop from April 1998 until his death in January 2008, pursued a relatively 'secular' agenda (Fokas, 2008) largely explain the absence of Greek Orthodox religious organizations from the GMI debate in Greece. This further limited the interest of political parties in the establishment of a GMI and resulted in policy inertia towards the scheme, in contrast with the promotion of alternative policies that reached broader 'clienteles' (Dimoulas, 2014: 53, 62; Lalioti, 2016).

Nonetheless, the years since 2008 were to see the launch of a new phase, both for the Greek state and the GMI.

3. From Stalemate to Policy Change

When a deep economic crisis began in 2008, in exchange for unprecedented rescue packages the socialist government of George Papandreou (in 2010 and 2011) and the subsequent coalition government[1] under ND's new leader Antonis Samaras (June 2012 – January 2015) committed to meeting the terms of loan agreements and the so-called Memoranda of Understanding with the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) (informally known as the 'troika'). The combined impact of the severe crisis and the austerity measures resulted in dramatic changes in the living standards of large sections of the population and the drastic transformation of the post-1974 political system in Greece.

While in 2012 the country was experiencing its fifth consecutive year of recession, the average wage had fallen significantly, the minimum wage was reduced, substantial pension cuts were imposed and the increases in rates of poverty and unemployment were dramatic. The political parties held responsible for the crisis and austerity were 'punished' in the successive national elections in May and June 2012 and Synaspismos (now the 'Coalition of the Radical Left', *Συνασπισμός Ριζοσπαστικής Αριστεράς*, ΣΥΡΙΖΑ, SYRIZA), a small party previously without hope of building a government, became the strongest contender for power almost overnight in the 2012 elections. The former PASOK-ND confrontation was replaced by a SYRIZA-ND confrontation that was intensely class-based (Lalioti, 2016: 87-8).

In an environment where social policy became much more important in political party competition, the Greek government pressed for the institutionalization of a GMI. The stance of the 'troika' towards this proposal was far from unanimous. The IMF was more pro-GMI, arguing that the abolition of several welfare benefits and their integration into a GMI would bring cost savings (IMF, 2012: 19-20; Matsaganis, 2013: 13), as opposed to the EC and the ECB, which were sceptical over both the cost of the scheme and the Greek administration's institutional capacity to implement it.

The Medium-Term Fiscal Strategy for 2013-2016, developed in November 2012, stipulated that a pilot GMI would be carried out in two regions starting in January 2014 (Law 4093/2012, Subparagraph IA.3). These were to be regions with different socioeconomic characteristics, which were expected to be defined in a forthcoming ministerial decision. The credit for the pilot was 20 million euros.[2] A decision for or against a permanent nationwide GMI was to be taken after the pilot programme had been evaluated.

The institutionalization of the GMI provided the Samaras government with the opportunity to express an interest in the needs of the lowest socioeconomic strata at a relatively low cost and with possible electoral gains. The government's GMI initiative also deprived SYRIZA of the opportunity to benefit politically from the establishment of a scheme, the GMI, that was part of its electoral programme. Moreover, the government's initiative was facilitated by the weakening of the labour confederations and the development of a closer relationship between the government and the Orthodox Church under the new Archbishop, Ieronymos (Lalioti, 2016: 88).

After the official announcement of the scheme in October 2014, long after the original January 2014 start date, the Ministerial Decision of 7 November 2014[3] allocated 20 million euros for a 6-month pilot scheme (under the name *Guaranteed Social Income, Εγγυημένο Κοινωνικό Εισόδημα*) in 13 municipalities, one in each Greek state prefecture. The ministerial decision was the result of the work of an inter-ministerial group, which was dissolved after the ratification of the decision (World Bank, 2015: 9).

Beneficiaries qualified for three forms of support: income support; better and assured access to social services; and goods and labour-market integration or reintegration measures. The maximum monthly income support was €200 per adult and €50 per minor, with the first dependent minor in a one-parent family counting as an adult. Hence, the annual floor of income for a single adult was €2,400, while for a couple with one dependent adult and a minor it was €5,400. The amount of monetary support had been determined in accordance with the common practices among EU member states. The maximum amount of monetary support (€200 for a single adult) corresponded to approximately 24% of the median equivalized income and 40% of the net minimum wage (€489).

Social services and goods included, for example, individualized consultancy services and social grocery services. Last, labour-market integration or reintegration measures targeted beneficiaries who belonged to the active population, were capable of working and were below the age of 67. These were implemented by the Manpower Employment Organization (*Οργανισμός Απασχόλησης Εργατικού Δυναμικού*, ΟΑΕΔ, OAED) and other agencies and included public work programmes, vocational training programmes and the suchlike.

Qualifying 'units' (individuals and families) had to meet criteria for residence, an income ceiling and asset limits. For instance, all members of qualifying units (except for the newly-born and recently married couples) were required to have been legal and permanent residents in one of the municipalities participating in the pilot scheme for at least six months before the publication of the ministerial decision. In the case of third-country citizens, municipalities had to certify that they had been legally resident in Greece for more than five years. Individuals who were housed or received care in closed care units or shelters of supported living, as well as individuals and families that were in special programmes that covered their basic needs for housing, food, etc. (e.g. in social hostels) were not eligible for participation in the programme.

The change in government in January 2015, when the SYRIZA-ANEL (Independent Greeks, *Ανεξάρτητοι Έλληνες*, ΑΝΕΛ) coalition government came to power, raised questions regarding the continuation of the pilot GMI and, especially, its transformation into a national programme after the evaluation of the pilot scheme at the end of 2015. Nonetheless, despite large delays in payments and various problems, the GMI pilot continued under the new government with relative success.

Moreover, the governmental agencies that were responsible for the programme also designed its subsequent phase. After the completion of the pilot GMI, a new GMI phase was expected to begin on the 1st of April 2016, this time in 30 municipalities. Although this phase was often discussed in the media as a second pilot phase, no official document referred to it as such. In reality, this was the first phase of the nationwide implementation of the programme and the beginning of its extension to other regions.

Nevertheless, a few months before the expected beginning of the new phase of the programme, the GMI was at the centre of public debate. This was largely due to the submission of a draft law and parliamentary questions by Democratic Alignment (*Δημοκρατική Συμπαράταξη*), consisting of PASOK and DIMAR, where the party, inter alia, accused the government of inertia over the GMI and asked for the scheme's nationwide implementation starting on the 1st of April 2016 (Explanatory Report, 2016; Draft Law by Democratic Alignment, 2016; Democratic Alignment, 2016a and 2016b). Democratic Alignment also asked about the results of the evaluation of the pilot phase, triggering a response from the Ministry of Labour according to which the evaluation of the programme by the World Bank and the Ministry's agencies argued against the programme's extension at the national level in its present form and in favour of its redesign (Ministry of Labour, Social Insurance and Social Solidarity, 2016).

Indeed, while the transition from longstanding inertia to experimentation with the scheme should be viewed in the light of the severe implications of the crisis and changes in the political and social environment in Greece, the results of the pilot phase evaluation, discussed in the next section, were also particularly useful for revealing significant problems that needed to be dealt with in the subsequent phases of the programme.

4. The Evaluation of the Pilot Phase

The GMI pilot was evaluated by both the National Institute for Labour and Human Resources (*Εθνικό Ινστιτούτο Εργασίας και Ανθρωπίνου Δυναμικού*, ΕΙΕΑΔ, EIEAD) and the World Bank. A series of issues highlighted in their reports reveal, first of all, the existence of severe constraints in the evaluation process per se. Despite arguments in favour of transparency and of selecting municipalities based on their good administrative capacity as well as their populations and rates of unemployment and poverty, in reality the 13 municipalities that participated in the pilot were not selected according to strict criteria. This may have created a space for clientelism. The lack of clarity in the criteria for the selection of the candidate municipalities and the 'selection bias' posed serious limitations for the scheme's evaluation (Dimoulas, 2015: 2).

The evaluation process had also not been designed beforehand, from the beginning of the programme.[4] The data collection was unsystematic and there were mistakes in codification and many missing values that hindered the elaboration of data.

Furthermore, since the GMI pilot scheme was not governed by the rules of a proper 'experiment', it was not possible (as it should have been) to compare units participating in the programme with others that had similar characteristics but were not selected for participation. The way the GMI pilot was 'designed' and implemented meant that certain questions could not be answered. For example, it was impossible to answer whether the units selected for the programme were those that were most in need, what the programme's impact on the living standards of the units was, or how successful was their professional and social integration. Overall, the way the programme was conducted did not allow its in-depth and effective evaluation.

Yet, the evaluation was useful in highlighting a number of issues that need to be 'fixed' in next phases of the programme. For instance: due to the very high percentages of tax evasion in Greece, means-testing for the provision of the GMI favours farmers and the self-employed at the expense of salaried employees and the unemployed. Moreover, there is no prediction for when and how often the search for employment should be proved by GMI beneficiaries (Dimoulas, 2015: 6-9).

The evaluation also underscored delays in payments and problems in the cross-checking and verification of data and documents.[5] The municipal agencies involved in the pilot implementation were often understaffed and incapable of fulfilling their duties. There was a lack of data on the number of individuals who requested information about the programme but did not in the end submit an application. The application process was complex and many applicants had to ask for help from municipality and welfare agency staff or even accountants. The 'support' of accountants often worsened, however, the quality of the applications. Moreover, the programme's technical support, as exemplified by problems in the programme's information system and difficulties in accessing the GMI electronic platform, was inadequate.

The list of problems does not end here: publicity for the programme was marked by significant variation. As with the lack of standardized publicity procedures for different municipalities, there were no standardized procedures for accepting complaints and appeals, thus allowing much space for improvisation. The monitoring of the indicators for the implementation of the programme was not continuous, the overall monitoring of the pilot phase by the central administration was unsystematic and the burden of work on the municipalities excessive (World Bank, 2015: 3-6).

Although in theory monetary support was combined with actions for social integration (e.g. access to social groceries), there was no data on how systematic this combination was and to what degree the existing needs of the beneficiaries were covered (Kaminioti, 2015: 6). Moreover, labour market integration and reintegration measures were essentially not implemented (Charisis, 2015: 7).

The evaluation showed the need for accompanying measures to be designed in accordance with individualized programmes of action and for using all the data the tax agencies have at their disposal so as to trace undeclared income (Kaminioti, 2015: 7). It indicated that the roles of the agencies involved in the GMI programme should be clear, the application form less complex, the tools for the publicity of the programme standardized, the payments normalized, the process for the verification of data and information redesigned and the strategy for monitoring the programme made explicit. Data collection should be done on a regular basis and be utilized as a tool for the attainment of the project's desired targets (World Bank, 2015: 6-8).

It should be noted that not all municipalities believed that the selected beneficiaries were representative of the most vulnerable and poor groups in their region, with the evaluation conducted by the World Bank suggesting a more 'successful' selection of beneficiaries compared to EIEAD's evaluation (World Bank, 2015: 25). At the same time and despite all its weaknesses, the acceptance rate of the GMI pilot scheme among beneficiaries and the municipality staff was high. Indeed, it was argued that the programme was the most important social policy programme running at that time in Greece (World Bank, 2015: 3-6, 57).

The weak spots of the programme are confirmed by sources in the Greek Ministry of Labour, who also claim that there was a sense of urgency, and in some cases things were done in a reverse and thus incorrect order. For instance, the guide for the implementation of the GMI pilot that clarified the content of the 2014 ministerial decision reached the municipalities with a two-month delay, at the end of January 2016, when the programme had already started in November. Furthermore, the construction of the information system that was to support the GMI programme began only ten days before the launch of the programme. Overall, the limited administrative capacity of the Greek state – both at central and local levels – posed serious limitations to the implementation of the GMI pilot scheme.

Aside from highlighting the weaknesses and the qualitative features of the GMI pilot, the evaluation was also invaluable, however, in bringing to light the scheme's quantitative dimensions. The analysis of the quantitative data from the programme stresses the – in some cases – significant variation of data among municipalities.[6] For instance, the highest numbers of applications were submitted in the municipalities of Chalkida and Kallithea (5,572 and 5,618 respectively), as opposed to the smallest numbers, which were submitted in the municipalities of Syros-Ermoupoli and Lefkada (616 and 876 respectively). The variation in the percentage of the selected applicants who had not attended school was also significant, with percentages ranging from 30.1% and 27.1% in the municipalities of Chalkida and Mesologgi respectively to only 2.2% and 2.7% in the municipalities of Malevizi and Syros-Ermoupoli respectively.

Similarly, there was variation in the ability of municipalities to offer goods and services for social integration to beneficiaries, with some municipalities offering just information on these goods and services. Nonetheless, it is not possible to say whether such outcomes are due to random variation or whether they reflect real differences in the characteristics of beneficiaries, and whether they are associated with the administrative capacity of each municipality or with the existence of prejudices that may have played a role in the rejection of applicants (as in the case of third-country citizens). In fact, the size and spread of the deviations speak in favour of differences and variations due to non-systematic parameters.

Some of the general conclusions from the analysis of the quantitative data of the GMI pilot are as follows: [7]

- The number of submitted applications was a little more than 30,500. This figure corresponded to 6.1% of the population in the 13 municipalities and to the initial expectations of the agencies that designed the pilot that it would concern approximately 5-7% of the population in the selected municipalities.
- 86% of beneficiaries had Greek citizenship, with small variations from municipality to municipality.
- Most applicants were single. The family situation of the rejected applicants is different from that of the selected applicants. There were more married persons among the selected applications than among the rejected applications (30.8% vs 22.9%). The same holds true for those who were divorced (12.2% vs 8.7%).
- At least one third of the qualifying units had minor, dependent members. The number of those over the age of 65 was minimal. The combination of the relatively young age of the applicants and the number of the minor, dependent members leads to the conclusion that a high percentage of the qualifying units included young couples or relatively young couples with children.
- The vast majority of the applicants and those who were eventually selected were unemployed (74.4% and 77.4% respectively).
- Approximately half of the qualifying units (55%) declared zero income and only 16% of beneficiaries over the age of 18 declared income from salaried employment. Less than 5% of the beneficiaries declared that they had bank savings.
- At least two thirds of the qualifying units did not own the house where they lived and paid rent. Only one out of five qualifying units declared that they had movable assets, such as a car or a motorcycle.

Overall, the evaluation of the pilot GMI reveals the improvisation of the Greek state machinery, which is notorious for its meagre administrative capacity. However, at the same time the evaluation is invaluable in highlighting the characteristics of the beneficiaries, who are members of the lowest-socioeconomic strata, and the sectors where the intervention of the state in the subsequent GMI phases could improve implementation.

5. Towards the Final Act

According to sources from the Ministry of Labour, while the plan for the new phase of the GMI that was expected to begin in 30 municipalities in April 2016 was ready on time and the draft of the relevant ministerial decision had also been submitted to the 'institutions' (the former 'troika') on time, by mid-May the response of the 'institutions' was still pending. The ultimate aim of this new GMI phase was to check that all aspects of the programme were on track, in view of the programme's nationwide implementation on the 1st of January 2017.

Nationwide implementation is in line with the country's obligations in the Memoranda of Understanding. The social welfare review is expected to create a fiscal space equal to 0.5% of the GDP that will enable the Greek state to fund the full-scale implementation of the GMI programme at the national level. The resources needed will be found from savings that will be made thanks to the expenditure review or from savings in areas of so-called 'non-discretionary spending' (Supplemental Memorandum of Understanding, 2016: 19). The World Bank is expected to complete the social welfare review in September 2016.

The Supplemental Memorandum of Understanding signed by the European Commission and the Greek government on 16 June 2016 explicitly refers to the provision of help to the Greek state from international organizations for the introduction of a series of measures, including a basic social safety net in the form of a GMI. The aforementioned Memorandum mentions a series of administrative measures, such as the review of categories of expenditures (e.g. defence expenses) that, if they are effective, will help the Greek government to decide – in collaboration with the 'institutions' – on strengthening social protection and the GMI programme in particular. For the same reason, and if the desired fiscal aims are attained, the Greek government may decide to reduce taxes (Supplemental Memorandum of Understanding, 2016: 1, 5).

The Memorandum describes the GMI, in conjunction with a temporary package of humanitarian measures for food, housing and electricity, as part of the government's priority to protect vulnerable population groups that have been irreparably affected by the dramatic implications of the crisis. The GMI is also expected to improve the effectiveness of social assistance provisions in Greece, which are well below the European average. The Memorandum discusses in detail the various phases of the GMI programme, including completing by September 2016 the preparation for the programme's full-scale implementation at the national level on the 1st of January 2017 (Supplemental Memorandum of Understanding, 2016: 19-20).

After a few months' delay, the ministerial decision announcing the terms and conditions of the new phase of the GMI programme was issued on 7 July 2016.[8] While the press attributed the delay to technical problems, such as problems in the staffing of the agencies in charge of the programme and difficulties in determining beneficiaries, as well as legal issues and the lack of funds (Salourou, 2016), sources from the Ministry of Labour pointed to a different reason: the delay was due to the belated response of the institutions to the draft of the ministerial decision and disagreements among them on whether the non-contributory disability allowance would be calculated as income for the purpose of the GMI.

The new phase of the GMI programme will be implemented in 30 municipalities between 14 July 2016 and 31 December 2016. The application period will last from 14 July 2016 to 30 November 2016. With nine municipalities in the Prefecture of Attica, the selection of municipalities has been based on population criteria, poverty indicators and percentages of unemployment. In 2016 the programme will cost 57 million euros and is estimated to benefit approximately 40,000 families or 87,000 individuals (Salourou, 2016).

The 2016 ministerial decision describes the GMI (under the new name of *Social Income of Solidarity, Κοινωνικό Εισόδημα Αλληλεγγύης*) as a social assistance programme that targets households in situations of extreme poverty and will be complementary to other policies against poverty and social exclusion. It will combine monetary support with complementary social services, provisions and goods, such as school meals, as well as 'activation' services, such as participation in vocational training programmes and second chance schools. Overall, the support provided in the framework of the programme is similar, if not identical, to the one offered in the pilot phase.

Furthermore, although the selection of beneficiaries will be based on criteria similar to those used in the pilot phase, the new GMI phase is not without changes, as exemplified by the change in the length of the period taken into account for the calculation of the income of beneficiaries (six months as opposed to one year in the pilot phase). The household income for these six months cannot exceed the amount of the six-month guaranteed income, that is €1,200 in the case of a single-person household and €2,700 in the case of a household comprising three adults and one minor or two adults and three minors or a single-parent family with four minors.

In the new GMI phase there are also changes to the application procedure, as reflected in the fact that applicants have the option to submit their applications via the municipalities or Citizen Service Centres (*Κέντρα Εξυπηρέτησης Πολιτών*, ΚΕΠ, KEP), in contrast with the pilot phase, when their only option was to use the programme's electronic platform. Likewise, the 2016 ministerial decision includes improvements in areas such as updating beneficiaries on the status of their application and changes in the data of the application.

More importantly, the new phase attempts to enforce the social integration component of the scheme, for instance by making it explicit that beneficiaries need to collaborate with employment advisors at OAED Centres for the Promotion of Employment and that adults who have not completed mandatory education must attend second chance schools. Indeed, if an adult refuses to register at a second chance school, the monetary allowance is suspended until they have registered. Finally, the circular for the implementation of the programme refers to a series of indicators for its monitoring, such as procedure and performance indicators as well as intermediate and final outcome indicators.

The changes in the new phase of the GMI programme sound promising. However, it still remains to be proved that the weak administrative capacity of the Greek state will not pose new, serious limitations to the implementation of this new phase and its full-scale implementation at the national level in January 2017.

6. Conclusions

This article chronicled the sui generis Greek GMI experience, from the moment the issue first entered the public agenda up to the recent policy changes with regard to the GMI, including the scheme's evaluation. The long-term inertia over the scheme is largely explainable by the negligible and segmented interest in the subject on the part of political parties, in an environment distinguished by the hesitancy or absence from the minimal GMI debate of the social and political actors that influenced this debate in other countries.

More often than not, both the socialists and the conservatives played the GMI card on the eve of general elections, arguably counting on the possible electoral gains of such a political initiative. The traditional left splintered over the scheme, labour organizations distrusted or opposed the prospect and religious organizations did not participate in the debate. In short, for years little consensus was reached in Greece on the GMI and a pro-GMI coalition was absent.

The relatively recent decision for a GMI should be viewed in conjunction with the severe implications of the crisis and the austerity measures, which have resulted in the dramatic deterioration of the living standards of large sections of the population and the drastic transformation of the political landscape. The scheme provided the Samaras coalition government with a chance to show an interest in low-income groups at a limited economic cost and with possible electoral gains. It also prevented the largest opposition party, SYRIZA, from playing the GMI card in the next elections. The weakening of the trade unions and the rapprochement between government and Church should also be taken into account.

Finally, delays in the launch of the GMI pilot in November 2014 and the new GMI phase in July 2016, in conjunction with the outcomes of the evaluation of the GMI pilot and the weaknesses of the evaluation process per se, all illustrate the 'improvisatory' nature and the deficiencies of the Greek state apparatus, which is notorious for its weak administrative capacity. The lack of a 'proper' experimental design, alongside delays in payments and the essential 'cancellation' of the labour market integration component of the scheme, are only a few of the problems experienced during the GMI pilot. Although most of those involved in the programme describe the GMI as the most important social policy programme in Greece at present, the overall experience is revealing of the absence of a culture of careful and effective policy design and scientifically-planned evaluation.

Changes in the new phase of the programme sound promising both for its successful continuation and its future nationwide implementation. In all cases, this is a gamble that the Greek state cannot afford to lose.

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Notes

1. The latter at first included ND, PASOK and the reformist Democratic Left (*Δημοκρατική Αριστερά*, ΔΗΜΑΡ, DIMAR) founded in June 2010, although DIMAR dropped out of the coalition in June 2013.
2. *Journal of the Greek Government*, vol. A, no. 229/2012, p. 5697.
3. No. 39892/ΓΔ1.2. *See Journal of the Greek Government*, vol. B, no. 3018/2014.
4. The information in this and the next paragraph draws on Kaminioti, 2015: 2-8.
5. The information in this and the next paragraph draws on World Bank, 2015: 3-6, 22.
6. The information in this and the next paragraph draws on Gavroglou, 2015: 2, 16, 19.
7. The conclusions from the quantitative data of the programme draw on Gavroglou, 2015 and the World Bank, 2015.
8. No. Δ23/οικ.30299/2377, *Journal of the Greek Government,* vol. B, no. 2089/2016.
9. Previously *Means-Tested Income Support Program*.

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