Analytical Support
on the Socio-Economic Impact
of Social Protection Reforms

Annual National Report 2012

Pensions, Health Care and Long-term Care

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1 Executive Summary

Greece is experiencing the worst economic crisis since World War II. GDP contracted by about 16% from 2008 to 2011. It fell by 7% over the last year and is forecasted to further drop by around 4% in 2012, mostly as a result of the severe recessionary effects of a host of austerity measures imposed under the bailout deal Greece signed with the international creditors in May 2010. A new bailout package is currently being negotiated with the European Union, the IMF and the ECB, with strict conditionalities embracing major structural reforms (some of them long overdue) and swingeing cuts. Rampant unemployment, particularly over the last year, increased worries that protracted austerity, without being accompanied by a growth strategy, can hardly turn the economy around. It rather engenders deeper recession leading to a vicious cycle of steeply declining incomes, reduced demand, business closures and falling state revenue, which in turn triggers a new round of dramatic drops in incomes.

In the field of pensions many of the measures introduced by the 2010 structural reform (such as increase in pensionable age and contribution years) are being phased-in. Under the strong grip of austerity policy, significant cuts were made in present retirees' incomes (primary and auxiliary pensions) in the last year, and an overhaul of auxiliary pensions is pending.

To a large extent the 2010 reform tackled fragmentation and inequalities and introduced a clear distinction between a basic and a contributory pension. However, there is still room for rationalising pension expenditure (as a number of social funds, to one degree or another, retained a privileged status); while, on the other hand, fairness and adequacy could be enhanced by reformulating regulations for the basic pension so as to lift any barriers to access and make it a truly universal income guarantee in old age.

In health care a major development consists in the launching of the "National Health Services Organisation" (EOPYY) that was established through the amalgamation of the four biggest health insurance funds. Other on-going reforms include the redrawing of the map of public hospitals and social care organisations (through amalgamations and administrative reorganisation); wider implementation of the e-prescribing and e-referrals policy; the introduction of Diagnosis-Related-Groups (though piloting led to costly results and reconsideration of DRGs rates is under way); and changes in hospital procurement and in the cost-accounting system in the NHS. The overriding objective has been to drastically reduce health expenditure over 2011 and 2012, large savings designed to take place by considerably reducing drugs spending. Measures were also taken for liberalising the profession of pharmacists (e.g. allow for flexible opening hours, reconsider the regulations for opening a new pharmacy, reduce fixed prices and profits). Despite reforms carried out so far, significant challenges remain in respect to tackling fragmentation in the governance and administration of the public health system. Taking steps towards a truly national health service is still a major challenge both in terms of efficiency gains, fairness and equity criteria.

Finally, social care (including long-term care) remains a little developed policy area, albeit badly hit by the austerity measures. A number of social care programmes (like, for instance, home help, daycare centres etc.) are under risk of being discontinued, while significant cuts in benefits (in parallel with shrinking household incomes) weaken the ability of households to turn to the informal social care market. The combined effect of the "boomerang generation" phenomenon (i.e. young people returning back home for financial reasons), greatly accentuated by the crisis, and increasing unmet care needs by the elderly impose an exceptionally high burden on families (and particularly on women).

2 Current Status, Reforms and the Political and Scientific Discourse during the previous Year (2011 until February 2012)

2.1 Overarching developments

Greece's economy is in an endless downward spiral. Since the eruption of the crisis in 2008 gross domestic product declined by about 16% (7% in 2011), and is forecasted to further fall by around 4% in 2012 (for a fifth consecutive year). For the first time since the early 1960s the labour force is less than the inactive population. Unemployment hit a record high level, 19.2% in late 2011 (the second highest in the EU after Spain).[1] It reached, thus, the level of the first decades of the post-World War II period when about one million Greeks emigrated. [2]

In the late 2000s excessive public deficit and debt levels pushed the economy's credit worthiness from a top rating to the edge. In March 2010 a bailout loan package was agreed between Greece and the EU-ECB-IMF (the so-called "troika") with the aim to cover the country's borrowing requirements for the next three years. Strict austerity measures were attached to the "rescue package" in parallel with structural changes in the economy and public administration long overdue. However, in the two years following the "Memorandum of Agreement" with the international lenders, the economy remained stuck into a deep recession. This caused a surge in business closures (60,000 small businesses closed down since 2009 and another 60,000 are at high risk in 2012[3]), massive layoffs and escalating social unrest.

The alarmingly deepening crisis brought into relief that many of the assumptions and projections embraced into the bailout plan were problematic.[4] Strikingly, a second bailout agreement, signed in July 2011 (encompassing a 21% write-down on the face value of the bonds held by private bondholders) was soon considered by the international lenders not sufficient for stabilising the debt dynamics. A new "rescue-deal" was put forward by the international creditors in late October 2011 for a fresh loan of €130bn, in parallel with a 50% (or even higher) debt restructuring for private bond-holders, with strict conditionalities attached to it exacting swingeing budgetary cuts, a 22% cut in the minimum wage[5], labour market deregulation, drastic public employment reduction and other structural reforms. A vote passed by Parliament on 13 February 2012 endorsed the new austerity deal[6], but hurdles in concluding the deal remain.

Deregulation of work conditions constitutes a major plank of the first and second bailout deal. Policy measures discussed or already under way include: the relaxation of the application of sector-wide collective wage agreements and the shift towards enterprise labour contracts (or individual contracts), and even the undermining of the collective negotiation process itself, by the "troika's" insistence on enforced reduction in the private sector minimum wage (which is the benchmark for all higher wage rates and of the unemployment benefit); sub-minimum wages for youth and significant reductions in subsidies to OAED (the Greek Labour Force

1 The youth unemployment rate jumped to 46%.
2 Mostly to West Germany as "gastarbeiters". A new rise in emigration that the country is now experiencing, particularly amongst young people, constitutes a major social and economic issue as it leads to a loss of a key productive sector of the population.
3 Data by ELSTAT.
4 Particularly as raising taxes and cutting public expenditure too fast and too far, without a balanced plan of structural reform and growth triggers, can easily backfire.
5 And a 32% cut in the minimum wage for young workers.
6 After ten hours of debate, massive demonstrations and strong dissent among the two main coalition members.

Employment Organisation) that will eventually cause a further drop in the unemployment benefit (in addition to the reduction from €460 to €359 because of the fall in the minimum wage).

According to the Labour Inspectorate, in 2011, full-time contracts were reduced by about one fifth, while part-time contracts and job rotation significantly increased. In the first nine months of 2011 roughly about 43,000 full-time contracts were converted into flexible contract types (double the number compared to 2010) leading to over 50% pay reductions.[7]

Significant cuts in public sector workers' earnings accompanied the introduction of the single payment grade system for all public sector operations, in late 2011. With further firings of 150,000 public employees (mostly with low educational qualifications), planned under the rescue deal until the end of 2015, the number of workers thrown into the low-wage layer of the labour market (with casual, temporary jobs at less than the poverty line wage rates) will increase. There are strong doubts whether this can be a successful policy for increasing productivity (as the "troika" tenaciously defends); instead it could easily turn into a self-defeating policy destroying the value of human capital and lowering productivity.

Earnings in the middle and lower end of the income scale were also severely hit by a "tax raid" consisting in indirect taxes hikes, introduction of a number of special levies (including levies on primary and auxiliary pensions, as shown below), in parallel with a tax reform that reduced the lowest taxable yearly income from €12,000 to €5,000 (that is, at a level around the poverty line) and redesigned tax rates disproportionally high for low to middle incomes. A regressive effect characterises also the introduction of an "extra" property levy in 2011, a kind of poll tax charged to all users of property under threat of having their electricity cut.[8] So far about 500,000 households have not paid this controversial tax; of them 70,000 have applied for being exempted because of serious hardship (on the basis of a circular issued by the Ministry of Finance – after public outcry over the unfairness of the measure – that defines exempt categories of vulnerable groups), but no decisions have been made so far.

Regressive effects are compounded by a persistently high inflation rate (particularly in basic commodities). There are no available data as to the impact of a whole range of austerity measures on the extent and intensity of poverty.[9] Yet anecdotal evidence on deteriorating living standards is mounting: pupils fainting in classrooms due to malnourishment, an increasing number of homeless (estimated at over 20,000 in Athens), and rising numbers of people turning to soup kitchens and other philanthropic help are phenomena extensively recorded by the media.[10]

Public debate focuses overwhelmingly on fiscal adjustment and the policy measures enforced by the bailout deal. Undoubtedly the crisis provides a window of opportunity for rationalising and modernising major ailing fields of social protection in Greece. In this respect the structural reform of pensions and a progressive redesign of health care, discussed in the following

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7 See Newspaper "Eleftherotypia" retrieved on 8 November 2011 from http://www.enet.gr.

8 The "constitutional legitimacy" of the levy is highly questioned, while DEI (the Public Power Corporation) trade union refuses to "pull the plug" in the homes of the poor, unemployed, disabled and highly indebted households. A number of mayors also take a stand against the unpopular property tax.

9 The 2010 EU-SILC data refer to 2009 incomes when the crisis impact was not very pronounced yet. Besides, given the fact that the poverty rate is calculated as per cent of the median (equivalised) income, a drastic fall in earnings across a wide range of income groups may not result in any significant change of the overall poverty rate, even though a severe drop in the living standards may have occurred. Not to mention also that household budget studies hardly encompass the exceptionally high income layer.

10 These are indeed unprecedented phenomena in the country, at least for the post-World War II generations. Recently the Ministry of Education decided to provide financial aid for supplementary meals at schools in some parts of the country.

sections, are in the right direction. However, as argued below, cost-containment and sustainability criteria override substantial concern with adequacy of social provisions, fairness and redistribution. Indeed, reforms so far indicate a shift towards a "workfare" approach (albeit under dwindling job opportunities) but without any income guarantees. There is hardly any public debate on universal income maintenance as a cushion against market deregulation. Instead swingeing cuts in pensions, health and social care tear apart even the rudimentary social safety net.

2.2 Pensions

2.2.1 The system's characteristics and reforms

Pensions are based on the public (first) pillar that constitutes a pay-as-you-go system. It provides basic and auxiliary pensions. Social insurance funds are self-governing bodies operating under the auspices of the Ministry of Labour and Social Insurance and managed by representatives of employees, employers and the state. Public pillar pensions are defined-benefit.

Until the late 2000s the system was characterised by a high degree of fragmentation across sectors of employment and occupational categories. Law 3655/2008 drastically reduced the number of social insurance funds from approximately one hundred thirty to thirteen, in an attempt to improve administrative efficiency and create the conditions for progressively harmonising entitlements and provisions. A new round of amalgamations was stipulated by Law 3863 of 2010. Currently there are four major social insurance funds: (a) IKA, the social insurance organisation for private sector workers that from January 2011 includes new entrants into the public sector as well, so as to become the fund for all wage and salary earners; (b) OAEE, the social insurance fund for self-employed workers (excluding professionals); (c) OGA, the farmers' retirement fund; and (d) ETAA the unified fund for independent professionals. The latter fund was set up by Law 3655/2008 providing for the amalgamation of distinct schemes for various liberal professions (lawyers, engineers, medical doctors and others). However, so far, constituent schemes retained their distinct characteristics, as did also some other funds (e.g. the fund for journalists and media workers and the fund of the Bank of Greece employees).[11] In exchange for maintaining their separate insurance status, the latter funds should undertake the cost of the basic pension introduced by the recent pension overhaul.[12]

Laws 3863 & 3865 of 2010 significantly changed the structure of the pension system, accrual rates, years of paid contributions required for standard or early retirement, and pensionable income. New arrangements will take effect from 2015 onwards in a phased way. Namely, for the period prior to 2011 pensions will be calculated on the basis of pre-reform regulations, while from 2011 there will be two constituent parts, a basic pension and a contributory one. Accrual rates will range from 0.8% (for up to 15 years of work) to 1.5% (for 40 years of work) of pensionable income that is based on the entire working career (instead of the last five years of work according to previous legislation). Retirement age is set at 65 years across all schemes and early retirement at 60.[13] The laws provide for a staged increase of pensionable age and years of insurance over a three- and five-year period in the public and private sectors,

[11] Though all other bank employees have come under IKA.

[12] Also it is not particularly clear if any change will occur in the near future in respect to the state subsidies received by these funds.

[13] For entrants into the private sector since 1993 pensionable age was already 65 years.

respectively (the contributory period will increase from 35 to 40 years).[14] It also waived favourable regulations for early retirement of women with underage children in the public sector, in accordance with the European Court of Justice Ruling of May 2009 that found the differences of pensionable age and minimum number of contribution years between men and women, in the Greek civil and military pension code, incompatible with EU legislation on equal treatment (Article 157 of the Treaty on the Functioning of the European Union). Hence retirement age of women with underage children, in the public sector, is being gradually raised from 50 years in 2010 to 65 years in 2013.[15]

Occupation-based auxiliary funds provide supplementary pensions as part of the public (first) pillar. The majority of the working population is covered by auxiliary schemes with replacement rates around 20% (and, in certain schemes, over 40%). Law 3655/2008 stipulated a 20% ceiling for auxiliary pension replacement rate by 2013. However, according to the recent reform, rates can vary depending on annual actuarial valuations.

There has been little development of both second pillar occupational schemes and private pensions provision (close to 90% of retirement income is derived from first pillar coverage).

A means-tested pension is provided to uninsured persons aged 65 and over who are permanent residents in the country. According to the recent reform this will be replaced by the basic (flat rate) pension set at €360. Claimants who satisfy the means-testing criteria and are permanent residents for 35 years and over (between 15 to 65 years of age) will be entitled to a full basic pension (the amount is reduced by 1/35 for each remaining year up to 35 years). Low-income pensioners of all funds (except OGA) are entitled to a means-tested benefit supplement (EKAS).

Major planks of the reform and current developments

Pension reform was a key element of the bailout agreement Greece signed with the three international lenders in spring 2010. Laws 3863 & 3865 of 2010 signpost a shift from a greatly fragmented, Bismarckian social insurance system (based primarily on the first pillar), to a unified, multi-tier system that distinguishes between a basic (quasi-universal) non-contributory and a contributory pension, to be in force from January 2015 (for a discussion of the reform see Petmesidou 2011a; Matsaganis 2011; and OECD 2011a). The amount of the basic pension is set at €360 (but may be reduced if economic performance deteriorates), and the contributory part is linked to paid contributions. In case of early retirement the basic pension will be reduced in accordance with the reduction rate of the contributory part (penalties are set for each year of early retirement). The basic pension is also granted to old-aged uninsured persons and to those who paid contributions for less than 15 years (on a means-tested basis, provided they satisfy prescribed residence requirements, as mentioned above). As from 2015 the state's responsibility is limited to the basic pension. EKAS will be abolished and the state's guarantee of auxiliary pensions will end. Henceforth, any deficits incurred by social insurance organisations should be dealt with by reducing pensions and/or increasing contributions. The law also provides for an annual adjustment of pensions (from 2014 onwards) on the basis of a coefficient drawing on GDP fluctuations, on the consumer price index (CPI) and the financial situation of pension funds. In light of these the contribution of the state budget to pension

[14] Pension benefits will be reduced by 6% each year for individuals who retire between the ages of 60 and 65 with less than 40 contribution years.

[15] Within a very short period of three years, 15 years of contributory period have been added for women with minors in order to qualify for retirement on full benefit, without any countervailing measure for the support of motherhood and childhood though.

expenditure is projected not to surpass an increase by 2.5 percentage points of GDP through to 2060 (reference base: pension expenditure in 2010, 12% of GDP).[16]

Of crucial importance is system rationalisation attempted through the further amalgamation of the 13 social insurance funds that emerged out of the 2008 legislation. Significant changes in pensionable income and replacement rates were introduced; retirement age and length of service increased so as to be equalised across the working population, as mentioned earlier. Provision is made also for revising statutory retirement age from 2021 onwards (and every three years) in respect to longevity.

Pension payment via bank accounts by all social insurance funds has been made obligatory from 2011 onwards. Pension amounts were frozen in 2008 and significant cuts followed over the last couple of years. In 2010, the 13th and 14th pension payments were permanently cut. In their place an allowance of €800 is paid (in three instalments) only to pensioners with monthly gross income up to €2,500. Legislation passed in late January 2012 stipulates that pensioners below 60 years are no more eligible for this allowance. Strikingly, this law also specifies that retirees with a monthly pension income below €400 are not eligible for the full allowance rate but to a reduced amount in line with legislation prior to the 2010 pension reform.[17]

In August 2010, a special levy was imposed on gross monthly pension incomes so as to create a contingency fund for social insurance organisations (the so-called LAFKA, Solidarity Account for Social Insurance) administered by the Insurance Fund for Inter-generational Solidarity (AKAGE) that was established by the reform Law 3655 of 2008. Initially this affected gross pension incomes over €1,400 monthly, with rates ranging between 2% to 10%.

Table 1: Cuts in auxiliary pensions

Amount of auxiliary pension (€)	Special levy* (€)	30% cut for amounts over €150** (€)	Total cuts (€)	Per cent reduction
200	0	15	15.0	8%
300	0	45	45.0	15%
400	16.5	75	91.0	23%
500	30.0	105	135.0	27%
600	48.0	135	183.0	31%
700	70.0	165	235.0	34%

Source: Ministry of Labour and Social Insurance.
**From 1st September 2011; ** From 1st November 2011*

Following the revised "Memorandum" for the rescue deal of July 2011, the Midterm Fiscal Strategy Framework (2011-2015) was approved by the Parliament (Law 3986/2011) that introduced further cuts in current pensions. An upper ceiling of €2,774 gross monthly pension income was introduced for all social insurance funds. Also from August 2011 the (LAFKA) levy applies to pension incomes from €800 and over and rates increased to 14%. At the same time a similar levy ranging from 3% to 10% was introduced for auxiliary pensions over €300

[16] If the pension system remained unchanged, projections indicate doubling of the rate of pension expenditure by 2060 (OECD 2011a, pp. 158-9).

[17] Despite the fact that even in the "Memorandum" Greece signed with the "troika", it was clearly stated that the lower income pension earners should be shielded from the elimination of the 13th and 14th pension payment by receiving a compensatory flat annual benefit, so that "benefit reduction is weighted toward the higher pension earners" (IMF 2010, p. 49).

per month. Furthermore, in November 2011, a further cut of 30% of auxiliary pensions over €150 monthly was put into effect (Table 1 illustrates the financial implications). In parallel, monthly primary gross pensions over €1,200 were cut by 20% for pensioners over 55 years of age and by 40% for those below 55 years. Additionally penalties for working retirees were introduced: for those below 55 years of age pension payment is suspended; while those 55 years and over should pay 50% contributions surcharge. Also if the primary pension of the latter category of working retirees exceeds 60 daily wages of an unskilled worker (that is, €1,980 monthly, in December 2011) the amount over this upper ceiling is curtailed.

The new "Memorandum" following the second rescue deal, under negotiation in mid-February 2012, stipulates a further decrease of auxiliary pensions by 10% (between €200 and €250), 15% (between €251 and €300) and 20% for over €300 monthly (to be in force retrospectively from 1st January 2012). Primary pensions over €1,300 will be further reduced too across all schemes by 12% (with the exception of the Fund of Merchant Navy where a lower cut of 7% was decided).

The lump-sum benefit at retirement to which government and public corporation employees are entitled was reduced by 10% and 15% respectively[18], and contributions to the welfare fund of public sector employees (TPDY that grants this benefit) increased from 4% to 5%. This has hardly improved the fund's financial strain. Over 45,000 public sector retirees are waiting to receive the benefit for more than 5 years. In order to somehow relieve pressure the government considers providing the benefit in instalments.

In mid-2011 income limits for EKAS eligibility were redefined so that the lowest two income brackets eligible for the top two benefit rates (€230 and €172 monthly) were slightly reduced, relegating thus some beneficiaries to lower benefit rates. At the same time the upper income ceiling was slightly increased by the addition of one more income bracket, from €8,472 to €9,200. About 100,000 low-income pensioners falling into the latter bracket will receive a monthly amount of €30. However, payment of this meagre benefit will be phased in instalments. Income criteria were also slightly modified so as to take into account the total sum of pensioners' monthly incomes (including dividends, interest, rents etc.). Pensioners should be over 60 years of age and satisfy prescribed residence criteria.

Reducing the number of occupations included in the list of arduous and unhygienic jobs that qualify persons for special benefits and early retirement was among the major demands made by the country's international lenders as a way of reducing Greece's fast exploding pension costs. The new list compiled by the government in November 2011 removed about 180,000 occupations (among others hair-stylists, supermarket cashiers, janitors, guards and cleaners in public services) as their duties were not considered arduous or hazardous; while some new professions (such as nursing staff, TV technicians working with portable cameras, workers in wastewater treatment and others) were added allowing about 14,000 workers to come under the specific regulations for arduous work.[19]

Revision of the conditions concerning entitlement to disability pension is also under way, as cracking down on abuse is a major aim. In an attempt to cut down spending on disability pensions from 14.5% to 10% of total pension expenditure, stricter regulations were recently introduced in parallel with drastic rolling-back of provisions. Also the fragmented system of a

[18] To be in effect retrospectively for people retired from 1 January 2010.

[19] The previous list of such occupations dates back to 60 years ago, when law 1846/1951 was passed to "protect" workers' health by allowing them to retire earlier and thus compensate for shorter life expectancy due to their hazardous (or arduous) working career. The list progressively grew as governments added new professions in return of votes.

multiplicity of local evaluation committees has been replaced by a centralised disability certification and monitoring agency at IKA.

2.2.2 Debates and political discourse

Under the pressure of serious fiscal woes of the country and alarming forecasts for rapidly increasing pension spending as the baby-boomer generation retires, fiscal sustainability criteria dominated public debate and political discourse. This is also the focus of the demands made by the international creditors embraced in the successive revisions of the bailout "Memorandum". In light of this, phased adoption of a raft of measures of the new pension system started in 2011 and will continue over 2012 (and the following years).

Current public debate draws attention to the negative effects of protracted recession on social insurance, as well as to the detrimental impact of pension cuts, tax raises, ad hoc levies and hiking commodity prices on present retirees' living standards. On the other hand, tackling the financial problems of auxiliary funds has been at the forefront of political discourse. Since autumn 2011 it has been a major issue in the talks with the international creditors on a second aid package.

In public consultation, unions strongly argued in favour of cracking down on contributions evasion as a way of securing funds for social insurance, instead of drastically cutting benefits and raising the retirement age. In parallel, unions expressed worries about rampant unemployment, currently affecting about one million persons, with dramatic effects on contributions. IKA's revenues fell by about 18% over 2011, and are expected to further decrease this year. With close to one million unemployed and continued recession, it is estimated that social insurance funds will lose €5 billion on an annual basis (ILO 2011, p. 32).

Furthermore, contributions evasion continues unabated (it currently stands at a little over a fourth of IKA's revenues and about a third of those of OAEE and OGA), and huge arrears in contributions payments by enterprises put severe strains on social insurance.[20] Repeated attempts by the Ministry of Labour and Social Insurance to settle contribution arrears by providing favourable terms did not bring significant results, as two out of three enterprises owing to IKA did not respond to the call for settlement.[21] Undoubtedly, as the crisis deeply damages most firms' earnings (particularly of small firms that constitute the majority of enterprises in the Greek economy), there is little optimism for improving contributions collection.

Crucially, the over 50% haircut of bondholding that is currently negotiated with private creditors in the context of the second rescue package will negatively affect social insurance organisations as they will write down losses of over €12bn, paying thus the price of holding too many government bonds. The General Confederation of Greek Labour (GSEE) strongly stresses the fact that swingeing budgetary cuts, since the first bailout deal, have caused a deep recession to be further aggravated by the even harsher austerity measures that are currently on the agenda. A vicious cycle is thus under way, as rampant unemployment and significant drops in wages and salaries diminish revenue of social insurance funds, making necessary further cuts in current and future pensions with detrimental effects on adequacy criteria.

[20] According to the Ministry of Labour and Social Insurance in late 2011 the total sum of contributions owed to social insurance funds amounted to €11 billion (€6.1 billion to IKA, €3.7 billion to OAEE, and the rest to other funds).

[21] Not to mention also the violation of fairness implied by such a measure of favourable settlement vis-à-vis those firms that properly fulfil their social insurance obligations. Corruption scandals (as is for instance the "structured-bonds" scandal, back in 2007, involving a number of social insurance organisations), and absence of professional management of funds have been especially damaging too on sustainability and fairness accounts.

An overhaul of auxiliary pensions is under consideration by the government authorities, as it is key for the second bailout agreement, as mentioned above. Recent actuarial valuations for auxiliary funds indicate a deficit of about €900 million presently. In late 2011, the government plans embraced the amalgamation of the five largest supplementary pension schemes (ETEAM & TEAIT for private sector workers, TEADY for public servants, ETAT for bank employees and TAYTEKO for public utility personnel). Incorporation of smaller auxiliary funds into the new unified fund is expected to follow. The reform aims at equalising replacement rates across schemes to 20% of pensionable income. This implies significant reductions (depending on sustainability valuations for each scheme).[22] The new unified fund will embrace about two million insured workers and one million retirees. From a total of €4.7 billion pension expenditure annually, the reform is expected to save close to €900 million (that equals the current deficit of auxiliary funds). Trade unions and left wing opposition parties opposed the plan. Similarly the conservative New Democracy partner in the new (transitional) coalition government, formed in November 2011, refused to back plans for across the board cuts in supplementary benefits. Yet, after consenting to the conditionalities of the second bailout package and voting in favour of it, it supported the above mentioned immediate cuts in auxiliary (and primary) pensions, and remains to be seen whether it will support a more drastic overhaul.

The 2010 pension reform significantly changed many parameters of the pension system. It tightened conditions of early retirement, increased pensionable age across schemes and linked retirement with longevity in the long term. As the system goes through a process of phased adjustment to new provisions, issues concerning a further increase of pensionable age or a reconsideration of how to link various parameters to life expectancy are not a matter of concern in public debate. On the contrary, some stakeholders (for instance, ADEDY, the Supreme Administration of Greek Civil Servants Trade Union) take a critical stance on the abrupt and drastic increase of pensionable age of women in the public sector (particularly of these with minors). The Economic and Social Committee (OKE) casts doubts on whether there is any meaning in pursuing a social dialogue, given the pressing time frames imposed by the bailout process (through the successive "Memoranda") and the extreme haste with which measures were decided and implemented.

On the other hand, the Federation of Greek Industries (SEB) and the Athens Chamber of Commerce and Industry (EBEA) repeatedly emphasise the need for thoroughly improving the management of social security funds. Together with social partners representing SMEs, they also express concern about the high non-wage cost due to comparatively high social insurance contribution rates in Greece (amounting to about 8% of GDP in 2009, well-above the OECD-34 average, 5.1%; OECD 2011a, p. 153). This is considered to encourage undeclared work. Searching for compensatory measures to a reduction of social contributions is also on the agenda of the Ministry of Labour and Social Insurance. A policy option suggested is the introduction of a 1 per thousand tax on firms' turnover, but debate is still at an incipient stage.

The protracted crisis and the alarmingly bleak forecasts for the Greek economy have serious implications for the (current and future) adequacy of pension benefits. However fiscal adjustment concerns overshadow issues of adequacy in public debate. Adequacy of benefits will be further jeopardised in the long-term as a result of significantly reduced accrual rates and entitlement based on labour income over the whole working life, compounded by cuts in wages and salaries and long breaks in working career owning to high unemployment. EKAS will also be abolished; while eligibility criteria for the basic pension indicate that this is a means-tested

[22] In certain funds auxiliary pensions will be cut by over 40% (e.g. the auxiliary fund for merchant navy personnel, or that of insurance enterprises personnel), as currently replacement rates of auxiliary pensions in these funds stand at over 60% of pensionable income.

safety net for the most vulnerable elderly people, consistent chiefly with fiscal adjustment concerns rather than a fully universal benefit.

2.2.3 Impact of EU social policies on the national level

It is particularly the successive rescue deals and attached conditionalities for fiscal adjustment that are at the forefront of public debate and impact upon pension policies, rather than the OMC. Hence the issue of pension sustainability embraced in the EU2020 strategy is primarily linked with measures to deal with the debt crisis, retirement adequacy being subdued to fiscal priorities. Harsh austerity measures deepen recession for a fifth consecutive year, triggering a spiral of diminishing pension adequacy. Evidently drastically falling incomes, galloping unemployment and increasing firm bankruptcies mean lower revenue for social insurance funds, setting off yet another round of pension cuts.[23]

As starkly emphasised in a recent ILO report (2011), social partners (and particularly the trade unions) repeatedly voiced warnings that "the support mechanism" upheld by the international lenders, so as to ensure that the country will be able to meet its financial obligations, if totally relying on successive rounds of drastic cuts in wages and pensions, and hikes in direct and indirect taxes, will lead to continuous recession and a downward spiral in terms of working conditions and industrial relations. Increasing deregulation, without security though, will cause social and economic disaster.[24] Employers' associations also expressed doubts as to the effectiveness of the measures adopted in the framework of the rescue deal, with particular emphasis on the negative effects of over-taxation. The original design of the programme is considered to have been based on false assumptions of a quick adjustment through speedy structural reforms assumed to boost productivity in a short period of time. Disappointing results, partly because of hasty decisions and policy moves, and partly because of inertia and deeply-rooted pathogenies in public administration[25] led to successive rounds of even harsher measures that, however, can hardly bring the economy around. Instead they contribute to swelling the ranks of Greece's poor who even before the crisis amounted to a fifth of the population.

In the long-term the increase in pensionable age and stricter rules for early retirement will encourage active ageing. By severely curtailing retirement opportunities below the age of 60 years and equalising statutory retirement age across sectors and between men and women in the public sector, it is expected that effective retirement age will increase from 61.5 years now to 63.5 years by 2015. Yet the issue of active ageing is beset with a controversy in the short-term, as the government faces the rescue deal requirement of shedding public sector jobs. Facilitating early exit for specific groups (e.g. for women aged 55 years and over with underage children and 18.5 years of work in the end of 2010; provision of "notional insured time" to both parents with underage children; as well as the measure of putting government workers, close to retirement, in reserve) runs counter to active ageing in the short- to medium-term.[26] Making use

[23] According to the Ministry of Labour and Social Insurance (see Newspaper "Ethnos", retrieved on 4 April 2011 from http://www.ethnos.gr/article.asp?catid=22768&subid=2&pubid=61250950) a 1% increase in unemployment causes a loss of revenue of about €300 million for social insurance funds (if the unemployment benefit is added too, the amount reaches €450 million).

[24] "The haste with which the measures were being designed and adopted had an impact on their content, which was of a recessionary character. The measures imposed on Greece were lopsided, uneven and unfair at the expense of the unemployed, the small enterprises and the vulnerable segments of the population" (ILO 2011, p. 49). See also Labour Institute 2011.

[25] See on this issue OECD 2011c.

[26] Law 3865/2010 gives the opportunity also to fathers with underage children or with 3 or more children to retire early benefiting from an addition of 7 or 9 years, respectively, of notional time.

of such favourable regulations was also precipitated by the panic the recent pension reform created, in parallel with drastic cuts in salaries across the public sector.

Greece faces significant challenges in respect to the objectives set by the Commission in the 2012 Annual Growth Survey. Under the grip of a prolonged debt crisis and deepening budget austerity, policy measures have so far had controversial effects. Fiscal consolidation, without accompanying developmental policies strangles the economy. This hardly contributes to the achievement of growth friendly fiscal adjustment, and diminishes resources for tackling rampant unemployment and the dramatic social consequences of the crisis. In parallel, sudden changes from an over-regulated to a deregulated labour market, without, in parallel, establishing significant social safeguards for the most vulnerable, indicate absence of concern with balanced flexicurity policies. Equally issues such as later-life learning opportunities and adapting work places to make them suitable to elderly workers are not a matter of policy debate.

2.2.4 Impact assessment

Over the last two years austerity measures led to about €3bn cuts in pension benefits amounting to a reduction close to 10% of total pension expenditure. However, if we also take into account rising indirect taxes, special tax levies (such as the "extra" property levy introduced in 2011, a kind of poll tax that all users of property – either tenant or owners, whether jobless or with an income below the poverty line – are obliged to pay under threat of having their electricity cut!), as well as the reduction of the lowest taxable yearly income to a level below the poverty line, as mentioned above, the cumulative negative impact on pensioners' income is immense.

The latest available data on incomes and poverty (the 2010 EU-SILC data) refer to 2009 incomes and, thus, do not capture the full impact of the crisis. Overall we observe a falling rate of poverty between 2008 and 2009, but this trend overturned in the subsequent year. Compared to the EU-27 average the at-risk-of poverty rate for elderly people was considerably high in Greece at the onset of the crisis. Particularly high is the risk of poverty among people 75 years and over (and mostly among women of this age group). Equally high is severe material deprivation among the elderly that further intensified in 2010.

According to an early assessment (based on a simulation study for 2010 incomes) by Matsaganis and Leventi (2011), the poverty rate for pensioners stood at 29% in 2010. They also arrive at the conclusion that the burden of austerity has been shouldered in a more or less balanced (that is, progressive) way by income groups. However, the study refers to an early stage of the crisis. A whole range of extra taxes and levies imposed from 2011 (and, particularly, the regressive special levies and increasing pension cuts, the new tax scale and other measures, briefly referred to above) impact negatively on poverty and inequality. Equally important is the future impact of protracted economic slump on small business and the self-employed, that, in parallel with the erosion of employment protection (and forced slimming of the public sector) will redraw the map of socio-economic inequalities in the country (Petmesidou 2011b & c). Besides, drastic cuts in earnings (about 15% in the private sector in 2011, to be followed by 22% cut in the minimum wage, as stipulated by the new bailout deal)[27] indicate a dramatic decline of living standards that cannot pass unnoticed and, undoubtedly, contributes to widening socio-economic gaps.

Importantly, gender differences in old age are evident in respect to all indicators of inadequacy of income and living conditions, presented in Table 2. Roughly about a third of women aged 65

[27] The single payment grade system for all public sector operations introduced in late 2011 reduced gross salaries by about 25% (yet for some categories of government employees, such as tax and customs officers cuts amounted to nearly 50%).

years and over are at-risk-of-poverty and social exclusion (the rate falling to about a fifth for men of this age group).

Table 2: Inequality, poverty and social exclusion

	2008 [a]			2009			2010		
	Total	***Men***	***Women***	***Total***	***Men***	***Women***	***Total***	***Men***	***Women***
At-risk-of poverty (65+)	**22.3 (18.9)[b]**	20.8 (15.9)	23.6 (21.2)	**21.4 (17.8**	20.9 (14.9)	21.9 (20.1)	**21.3 (15.9)**	18.8 (12.9)	23.3 (18.2)
At-risk-of-poverty (75+)	**28.0 (21.4)**	27.4 (17.6)	28.6 (23.9)	**23.9 (20.2)**	24.3 (25.2)	23.6 (22.4)	**25.5 (18.0)**	25.2 (14.3)	25.8 (20.5)
At risk of poverty of pensioners	**20.3 (16.1)**	17.9 (14.9)	23.2 (17.2)	**18.4 (15.4)**	17.8 (13.9)	19.2 (16.6)	**19.0 (13.8)**	17.8 (12.1)	21.4 (15.2)
At-risk-of-poverty and social exclusion (65+)	**28.1 (23.2)**	24.6 (19.6)	30.9 (26.0)	**26.8 (21.7)**	24.9 (18.3)	28.4 (24.2)	**26.7 (19.8)**	22.9 (16.2)	29.8 (22.6)
Relative median income ratio (65+ to 65-)	**0.86 (0.85)**	0.89 (0.88)	0.84 (0.83)	**0.86 (0.86)**	0.88 (0.90)	0.85 (0.84)	**0.84 (0.88)**	0.88 (0.92)	0.83 (0.86)
Severe material deprivation (65+)	**14.8 (7.4)**	11.1 (6.0)	17.7 (8.5)	**12.1 (6.7)**	10.0 (5.5)	13.8 (7.6)	**12.4 (6.4)**	9.8 (5.1)	14.4 (7.4)
Severe material deprivation (75+)	**17.9 (7.7)**	14.5 (5.9)	20.4 (8.8)	**12.3 (6.9)**	10.0 (5.4)	14.1 (7.8)	**13.0 (6.5)**	10.9 (5.0)	14.6 (7.5)
At-risk-of-poverty of 65+ by tenure status (tenants)	**16.6 (18.9)**	17.3 (17.5)	16.1 (19.8)	**17.3 (18.7)**	16.0 (17.0)	18.2 (19.8)	**21.4 (17.2)**	16.6 (14.3)	24.1 (19.2)
At-risk-of-poverty of 65+ by tenure status (owners)	**22.8 (18.9)**	21.1 (15.5)	24.3 (21.6)	**21.8 (17.6)**	21.3 (14.4)	22.2 (20.1)	**21.3 (15.5)**	19.0 (12.5)	23.2 (17.9)

Source: Eurostat data, accessed at http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home on 18 January 2012.

[a] = Data refer to incomes of previous year

[b] = In parenthesis the EU-27 average.

[Poverty threshold = 60% of median equivalised household income after social transfers (including pensions)]

The aggregate replacement ratio has persistently been lower than the EU-27 average (42% in Greece, 52% in EU-27, in 2010). Also the gap between Greece and EU-27 in respect to the median equivalised disposable income of people aged 65+ as a ratio of income of people less than 65 years slightly widened in 2010. The net theoretical replacement rate (NRR) is projected at 66.4% (after 40 years career for an average income earner) for 2050[28]; while 10 years after retirement it is forecasted to decrease to 56%. A long career break due to unemployment is projected to shrink the NRR to 55.5%.

Obviously, significant cuts in current retirees' incomes introduced over the last two years have negative effects on pension adequacy particularly for low-income retirees. Persistent inflationary pressures also have bitten deeply into pensioners' incomes (even though on

[28] There is no data available for the current year so as to assess changes.

average salaries and wages decreased by about 15% in 2011, according to the Hellenic Labour Inspectorate, the average inflation rate stood at 4.7% in 2010 and 3.3% in 2011).[29]

The recent review of current reforms in Greece by an ILO High Level Mission (2011, p. 62) emphatically stresses the absence of an impact assessment of pension reform on poverty levels, as well as of the sustainability of the social security system in the light of the wage and employment policies pursued (deregulation, decrease of wages, long career breaks due to unemployment etc.). The actuarial authority of the Ministry of Social Insurance lacks such data that, however, are deemed highly important by the High Level Mission. The report also recognises the urgent need to improve governance of the entire social security system (in the context of a major reform of public administration).

2.2.5 Critical assessment of reforms, discussions and research carried out

The protracted crisis and the alarmingly bleak forecasts facing the Greek economy have serious implications for the adequacy and sustainability of pensions in the short-, medium- and long-term.

As indicated above, the structural reform guided by the bailout agreement stipulates that the contribution of the state budget to pension expenditure should not surpass an increase by 2.5 percentage points of GDP through to 2060. This is a very unrealistic premise though, given the fact that population projections set the increase of 65 years and over, in the period 2010-2016, at 65% (Eurostat data).[30] Particularly in the short- to medium-term, the retirement of the massive baby boomer generation makes such a drastic containment of pension expenditure seem hardly possible unless steep decreases of pension income will take place (further to the cuts already imposed).

According to estimates by the Ministry of Labour and Social Insurance, a hike in the number of retirees will increase pension expenditure by about €1.2bn over the next five years. Yet, gloomy forecasts of protracted recession and galloping unemployment will make revenue of social insurance funds steeply plunge and this will seriously detract from the viability estimates of the reform plan.

Crucially, the over 50% haircut of bondholding that is currently negotiated with private creditors, in the context of the second rescue package, will negatively affect social insurance organisations as they will write down losses of more than €12bn. Such bleak forecasts undermine some of the valuation premises of the recent reform and indicate the highly negative effects on adequacy, if further harsh cuts in pension benefits are introduced throwing even larger numbers of the elderly into poverty.

Evidently, a main preoccupation with fiscal adjustment jeopardises adequacy criteria. This is manifested in the combined effect of drastic cuts in current pension benefits, mentioned above, tax hikes and ad hoc levies disproportionally affecting those on lower incomes. Needless to stress, by broadening the tax basis towards the lower end of the income hierarchy about 690,000 people who paid no tax before, some of them with monthly income below the poverty line (that is calculated at about €500 monthly for a single-person household) will be obliged to pay tax from 2011 onwards. Equally heavy is the burden on middle incomes by the new tax rates (the extra burden implied by the new tax scale appears to be disproportionally high for

[29] While price hikes in certain basic commodities exceeded 20% according to data by the Prices Observatory of the Ministry of Development. See Newspaper "Kathimerini", retrieved on 3 February 2012 from http://www.kathimerini.gr/4dcgi/_w_articles_kathremote_1_01/02/2012_425523.

[30] Similarly GSEE forecasts a 70% increase of pensioners in this period (Labour Institute 2011, p. 350).

incomes up to €35,000 yearly).[31] These are regressive measures with negative effects on a wide range of social groups (including a large number of pensioners).

Also, controversies that bear upon adequacy and fairness criteria concern harmonisation of regulations across funds and the principle of universality in respect to the basic (flat rate) pension. Despite the aim to build a unified system (out of a highly fragmented one) and promote distributional fairness, discretionary exemptions remained for some socio-professional groups. Obviously resistance by the liberal professions to the merging of their distinct social funds with OAEE is accounted for by reasonable worries that such a reform would drug entitlements downwards for their funds.

Significant questions as to distributional fairness and sustainability emerge also in respect to the special (intergenerational solidarity) levy, introduced in August 2010 (ranging initially between 3% to 10% of gross monthly (primary) pension income, but raised up to 14% lately), in order to create a contingency fund for social insurance organisations. Contrary to the expressed aim for this levy to contribute to a pension reserve fund for meeting future financial strains on social insurance, legislation passed in October 2011 (the so-called "omnibus bill") in a dubious way made the Ministry of the Interior co-responsible (with the Ministry of Social Insurance) for the administration of the resources of the reserve fund, allowing thus the use of (part of) these resources for covering public debt, or, more precisely, the debt incurred by local authorities.

In view of the above controversies accompanying recent reforms, the following policy recommendations can be made in light of the severe crisis the country is facing.

First, as pension funds will be gravely affected by the Eurozone bond-swap deal currently under negotiation, it is absolutely necessary that the state allocates part of the resources accrued from the deal (if successful in cutting the sovereign debt burden) for securing the funds' fiscal sustainability. This is an urgently required policy option in face of continued economic recession, fast rising unemployment and falling incomes, exerting high strains on the funds' revenues. In parallel, combating tax-evasion is key too.

Second, the special levy for building up a reserve fund (initially stipulated by law 3655/2008) should be used in full for this purpose and not be diverted to other functions.

Third, proceeding further with harmonisation of regulations and provisions across funds will contribute to fiscal rationalisation (and distributional justice) bearing upon adequacy criteria too. Furthermore, in light of the reformed two tiered system, pension system adequacy can also be improved by establishing a truly universal basic pension available to all elderly people (over the statutory retirement age).

Fourth, income adequacy for pensioners highly depends on taxation policy and a range of measures concerning ad hoc levies and excises introduced under the pressure of high public deficit and debt levels. Apart from the recessionary effects of the current tax "raid" in Greece, particularly important is to stress the regressive distributional impact of many of the measures implemented over the last couple of years for boosting state revenues. Measures such as the "poll-tax" like levy recently introduced and the lowering of the taxable income threshold so as to reach the level of "the poverty line" need to be reconsidered or else adequacy of pensions will be greatly jeopardised.

Last, but not least, disentangling dubious fiscal flows between pension and health insurance funds (e.g. extensive borrowing of IKA by ETEAM – that is, IKA's auxiliary pension fund –

[31] See Newspaper "Eleftherotypia", retrieved on 8 October 2011 from http://www.enet.gr/?i=issue.el.home&date=08/10/2011&id=316354.

for covering its yawning health care budget deficit, with harmful effects on ETEAM's finances) will improve transparency, distributional justice and sustainability. Now that health care too is at a key turning point (with the establishment of EOPYY), it is imperative to clearly distinguish between funding channels of the two major policy areas (health care and pensions). Furthermore, if reform aims to build an integrated national health system (for primary and secondary health care), health insurance contributory schemes (with their gross disparities in terms of contribution rates and provisions so far) should be abolished and the system be funded from general taxation. Strikingly, fervent debates between the social partners and the government, over the last year, on whether and how to slash non-wage cost, so as to boost competitiveness and turn the economy around, have not hinged upon health insurance contributions. Yet this could be a strategic policy option with significant rationalisation effects.

2.3 Health Care

2.3.1 The system's characteristics and reforms

Greece introduced a universal health system (NHS) in the early 1980s. However until now it hardly reached the state of a fully-fledged national health system. Both in terms of funding and service delivery a mixed system continues to operate: an occupation-based health insurance system is combined with a national health service, but private provision is expanding too. According to the latest available data total health spending amounted to 9.7% of GDP in 2010 (comparatively high compared to the OECD average, 8.8%); of it 60% is public health expenditure (OECD average 71.8%). Roughly about 95% of private expenditure consists in out-of-pocket payments and only about 5% concerns private health insurance.

The NHS comprises primary and secondary care. It also employs some physicians and particularly in some rural areas it is the main provider of care. Overall, however, primary and specialist care is characterised by a noticeably mixed system of service delivery by public, health insurance and private providers. Until the 2011 reform employed population was enrolled in one of the occupation based sickness funds. Diversity of coverage by the social insurance funds, the NHS, and for some people by private medical insurance has persistently contributed to significant inequalities. Multiplicity of funding also accounts for lack of coordination of purchasing policies and system inefficiencies. Roughly about 85% of the population has health insurance that covers primary care,[32] but access to hospital care is universal.

Soaring hospital deficits and fast rising pharmaceutical expenditure, in parallel with persistent fragmentation of health insurance and inequalities in coverage have for a long time been the main predicaments of health care. The bursting of the public debt bubble made system rationalisation a key priority and a major requirement of the rescue deal.[33] Issues included in the "Memorandum" signed with the international lenders include: improvement in the governance of ESY[34], in the management of hospital procurement and in the cost-accounting system of public hospitals; better control of medical prescriptions (through e-prescribing & e-referrals); revision of the system of compensation of health professionals and pharmacists (in parallel with the liberalisation of the latter profession); and containment of pharmaceutical expenditure with a greater diffusion of generics (so as to reach 50% of all pharmaceuticals used in hospitals). The overarching objective is to enforce fiscal discipline so as to keep public

[32] A drug co-payment of 25% (or 10%, depending on kind of illness) entered force in 1990. EKAS beneficiaries are entitled to the low rate co-payment.

[33] According to an OECD estimate, "the potential for efficiency gains in public health spending from 2007 to 2017" stands at more than 2% of GDP (OECD, 2011a, p. 99).

[34] The Greek acronym for the NHS.

health expenditure at or below 6% of GDP. However, how far a balance between efficiency, universal access and service quality can be achieved under conditions of harsh cuts remains an open question.

In line with the fiscal adjustment requirements, a series of reforms have been launched in the last two years. The 2010 pension reform law established the financial and accounting independence of health funds, while law 3918/2011 stipulated the merging of the four biggest health insurance funds – IKA, OAEE, OPAD & OGA, so as to create a unified health fund (EOPYY, "the National Health Services Organisation"). Due to its size the new entity is expected to have considerable bargaining power in the market for drugs and services (OECD 2011a, p.77). Amalgamation was accompanied with an equalisation of contribution rates across IKA, OAEE and OPAD (at 7.25%); yet the lower rate of OGA (2.25% for insurees after 1993) remained unchanged, while those insured under OGA before 1993 pay no contributions. Equalisation of health care provision across these funds resulted in a diminishing range of services provided for some groups of insurees (public employees, until recently insured in OPAD), but expansion of services for others (OGA insurees). In addition, in January 2012, a 15% co-payment for clinical tests was introduced for all insurees in EOPYY, in tandem with 25% co-payment for a range of prosthetic devices, orthopaedic materials and respiratory devices, and a ceiling on consumables, such as diabetic test strips, injection needles etc.

Moreover, legal changes provide for the all day operation of hospitals and health centres and the charging of fees per visit in the afternoon shift to outpatients (covered only partly by social insurance funds); the enforcement of a €5 co-payment for all (regular) outpatient services; a new drug-pricing system (IRP, International Reference Pricing) that sets the price of drugs on the basis of the average price of the three lowest-priced markets in the EU (for which data are available); in parallel with the staged introduction of e-prescribing for social insurance funds, the greater penetration of generics, electronic auction for hospital supplies and systematic accounting and auditing techniques at hospitals. In 2011, a DRGs costing system was introduced in the NHS. However, soon it was found that it significantly hiked health spending by social insurance funds, as it upgraded reimbursement rates for various medical treatments (e.g. a pacemaker implant surgery increased from €1,931 to €3,694 or a cataract operation from €260 to €560). Implementation was discontinued so that, on the basis of clinical guidelines, DRGs weights will be reviewed with the aim to arrive at rates that could have a dampening effect on medical costs.

Stricter controls of tender procedures and procurement in the hospital sector were introduced too, along with a new (reference-) pricing system, a new positive list of drugs[35] and a drug-pricing observatory. Electronic prescribing and dispensing processes of drugs is the rule in EOPYY. Compulsory e-prescription by active substance and of less expensive generics (with a maximum price set at 60% of brand names) will ensure significant savings in pharmaceuticals. Drug expenditure was slashed by about €1 billion in 2011, and a further billion in savings is also budgeted for 2012.[36] International e-auction for hospital procurements was launched in 2011. As it has contributed to cost reduction of thousands of Euros, the Ministry decided that it should be implemented widely.

On the basis of proposals by an expert committee the map of hospitals was redrawn with the merging of some hospitals (and clinics). Out of the 137 public hospitals merging led to 83

[35] The state-mandated profit margin on prescriptions has also been significantly reduced and the Ministry intends to further slash it (from 18% to 15%).

[36] From €3.7 billion in 2011 to €2.7 billion. In order to reduce pharmaceuticals spending (under the new Memorandum) the Ministry intends to introduce a bonus of one extra salary (or fees for extra 200 patient visits) for EOPYY physicians who issue prescriptions in which generics cover 50% of medication.

entities; and the number of managers and deputy managers was reduced from 175 to 144. Also from a total of 1,950 clinics in public hospitals 330 were merged (and 40 were transferred between hospitals). The number of functional beds is cut down by 4,000 (to 32,000, or 80% of the estimated need); of them 550 beds were allocated to private practice. Changes are forecasted to save about €150 million in the context of the medium-term plan.

Law 4025 of 2011 also redrew the map of welfare organisations stipulating the administrative or functional amalgamation of a number of centres for child care, child camps, chronic disease institutions and others. It also provides for the incorporation into ESY of a number of Rehabilitation Centres across the country, the transfer of responsibility for the issuance of medical licence from the Prefectures to Medical Associations, and the establishment of private units of day case surgery and treatment. In addition the law provides for the compilation of an electronic data base of all recipients of welfare benefits.[37]

Mental health services as well as services for prevention of drug use and therapy for substance dependence have been badly hit by spending cuts (see Grammatikopoulos et al. 2011; Paparrigopoulos & Liappas 2011; and Kentikelenis et al. 2011). In mid-2011 the budget of 210 mental health units and rehabilitation centres was cut by 45%. Such units provide sheltered housing for the mentally ill, daycare, mobile care and other specialised services. In addition, chronically ill and disabled persons in residential care are enforced to contribute to public nursing homes for the chronically ill an amount ranging from 40% up to 80% of their pension (depending on the level of their pension income) as long as they remain in care. At the same time mental health care NGOs (funded under the National Strategic Reference Framework) were authorised to provide services, such as early assessment of serious mental disorders, intervention in crisis or in mental disease relapse, provision and monitoring of medication etc. Significant cuts in expenditure on preventive and therapeutic services for drug abuse seriously limit provisions to people in need of support, even though the crisis exacerbated phenomena of substance abuse and dependence.[38]

2.3.2 Debates and political discourse

Drastic health spending cuts at a time the number of people coming to public hospitals rose sharply (by about 30% since the start of the crisis) is a prominent issue in public debate. Increasing private cost for patients, and hospitals without critical supplies are among the victims of fiscal adjustment.

According to the Ministry of Health, cost per patient in public hospitals fell from €3,500 in 2009 to €3,000 in 2010 and €2,500 in 2011.[39] However, as the association of hospital doctors stressed, in the last six months, only for the entry ticket to hospitals patients paid out-of-their pocket about €14 million, while for afternoon visits to public hospital medical doctors out-of-pocket payments rose close to €100 million. These indicate a creeping privatisation that is a hotly debated issue particularly between ministerial authorities and associations of medical staff. Equally contested is the issue of savings in medical supplies (amounting to about 12.3%

[37] An OECD mission has been assigned by the Greek government the task to review (until March 2012) the whole range of welfare benefits with the aim to facilitate savings. In parallel, a census of all social benefit recipients is currently taking place.

[38] In addition, putting 10% of the labour force of KETHEA (the Therapy Centre for Dependent Individuals) on "reserve", enforced by the Ministry in accordance with the fiscal adjustment requirements of the "Memorandum", is highly threatening for the people who will eventually loose their job, as most of them are recovering drug users for whom loss of employment could be a major threat leading to substance abuse relapse.

[39] Yet, as mentioned the cost of treatment for social insurance hiked with the introduction of DRGs.

in 2011 compared to a year before, according to the Ministry of Health) that triggers regular shortages in specific materials and equipment.[40]

Also due to austerity measures 4,500 long-planned appointments of medical doctors were frozen, this resulting in excessive overtime for certain categories of medical staff particularly in small hospitals (as indicated by the president of the Federation of Public Hospital Doctors' Associations).[41] The Minister made it clear that no new doctors will be hired in ESY. Any new hiring allowed under the restrictions of the "Memorandum" will be used to recruit more nurses, of which there is a real shortage.[42]

Harsh criticisms were also voiced by the Athens Medical Doctors Association against the Ministry's decision to legally enforce prescription on the basis of drastic substance, on the grounds that such a policy is detrimental for the quality of health services provided to the population. Greece is also among the few countries in the world that have four different drug lists. A "positive" list concerning pharmaceuticals imbursed by health insurance funds; a "negative" one for non-imbursed drugs that however require prescription; a list of "high-cost" drugs for which no rebate is paid by pharmacies to health insurance organisations; and a new list of the so-called "innovative drugs" (including about 216 drugs) for which there are no copy drugs (because of protected patent) and whose price cannot be set on the basis of the existing reference pricing system.

The hasty introduction of DRGs and the ensuing hike in the cost of medical treatment with detrimental effects on health insurance organisations are also strongly criticised by medical doctors' trade unions. Equally critical are the latter about the merging of clinics in public hospitals, as they foresee serious operational problems when clinic directors will be asked to supervise units with 60 to 80 patients (instead of 25 to 30 until recently). Also cutting one in ten intensive care beds is considered fatal, given the fact that the lack of intensive care beds puts at risk the life of about 2,500 patients annually.[43]

The budget for EOPYY has also been an issue of debate. The new entity must operate with €2 billion less than initially planned. In order to balance cuts co-payments were introduced, the range of provided services shrunk, as did also the number of medical staff under EOPYY and their rates of remuneration. Medical doctors association vehemently opposed the Ministry's decision to reduce fees per patient visit to €10, with a ceiling of 200 visits monthly. They also expressed concern about imminent cuts in administrative and medical staff in EOPYY (by 50% and 25% respectively) under the imperative of the harsher austerity measures of the second bailout package.

Strikingly structural reforms and drastic spending cuts hardly embraced policy measures for monitoring quality of service provision by ESY, EOPYY and other health insurance organisations. Not to mention concern for health inequalities as a major factor to be incorporated into health policy planning. There is a paucity of data in respect to health inequalities (in a number of respects: access, private spending, morbidity profiles and health

[40] At a news conference in December 2011, the president of the Athens-Piraeus Public Hospitals Doctors' Union (EINAP) warned that the health care system risks collapse due to a lack of resources and rapidly increasing out-of-pocket costs for patients.

[41] Moreover the Panhellenic Federation of Public Hospital Workers (that represents about 80,000 health workers) repeatedly complained for transgression of labour law on working hours: minimum rest is often less than 8 hours, and health workers frequently are obliged to be on duty overnight three, four or even more times weekly.

[42] In Greece the density of nursing staff to 1,000 inhabitants was 3.3 in 2009 (compared, for instance, to 11 in Germany, 14.8 in Denmark and 4.9 in Spain); while the respective ratio for physicians was 6.1 (the highest among OECD countries; OECD health data base).

[43] See Newspaper "Eleftherotypia" retrieved on 6 July 2011 from http://www.enet.gr.

outcomes among socio-economic groups)[44], even though piecemeal, anecdotal evidence indicates a worsening of health conditions under the current crisis.

2.3.3 Impact of EU social policies on the national level

Rapidly rising public health expenditure has been a key source of pressure to the state budget, making health reforms a major priority in the context of structural adjustment. Major planks of reform are included in the Memorandum that Greece signed with the international lenders. Hence, as in the case of pensions, EU impact is closely linked with fiscal discipline and structural reform requirements of the rescue deal.

Issues of equity are also raised, particularly in respect to the attempt by the government to amalgamate the largest health insurance funds into one entity. However, as long as integration remains incomplete (there are still some remaining independent funds) and funding fragmented, while at the same time integration is accompanied by serious cuts in the range of provisions and a degrading quality of services (under EOPYY, among others due to the reduced number of physicians and extremely low remuneration rates for physicians), equity, fairness and adequacy criteria are severely thwarted.

Issues of ageing and health have not been of prominence in the reform debate. Neither did issue linking health and poverty. On the contrary, reforms increase the need for out-of-pocket payments and hence create problems of access to health care by deprived social groups. As recently reported by a study that, however, was conducted at an early stage of the crisis and thus does not fully reflect the impact of recent reforms, people tend to visit doctors less often than before despite having health problems. Among the reasons stressed, long waiting lists and travel distance to care (Kentikelenis et al. 2011) are held as the main obstacles. The same study also stresses that health outcomes have worsened, especially among vulnerable groups. The authors found a significant rise in the prevalence of people reporting that their health was "bad" or "very bad". They also recorded a decline in the number of people obtaining sickness benefits owning to budget cuts and reduced access (p. 1458).

Another indicator of the effects of the crisis on vulnerable groups is increased use of free access clinics run by NGOs (e.g. Médecins du Monde). Until recently, patients in these clinics were mostly immigrants, but estimates by NGOs set the proportion of Greeks seeking medical attention from "street medical care" to over a third.

2.3.4 Impact assessment

Overall, studies conducted in the last couple of years indicate deepening negative effects on the health status of the population. Adverse effects of financial strain on mental health are also recorded (reflected on a 40% increase of the annual suicide rate; Economou et al. 2011). Yet funding for state mental health care facilities was cut by about 45%, as mentioned above; equally slashed was the budget for street-work programmes for helping drug addicts.[45] The national suicide helpline reported that 25% of callers faced financial difficulties in 2010, and reports in the media indicate that the inability to repay high levels of personal debt might be a key factor in the increase in suicide rates. Dramatic cuts in health-care spending (around €2.7bn budgeted for up to 2015), shrinking number of beds (even in intensive care units), decreasing public health personnel and roll-back of coverage do not augur well for meeting rising demand for public provision (Triantafyllou & Angeletopoulou, 2011). However, as indicated in a recent

[44] The main source of data on some dimensions of health inequality is the EU-SILC database and very few case studies (see, for instance, Papanikolaou et al. 2011).

[45] A survey of 275 drug users in Athens in October, 2010, found that 85% were not on a drug-rehabilitation programme (Kentikelenis et al. 2011).

report by IOBE (Kyriopoulos et al. 2011), public spending has to further shrink in order to meet the fiscal adjustment targets set by the "troika". Notably, this study projects for 2012 significantly reduced expenditure for drugs that help treating serious illnesses by around €25.6 million (p. 314).[46]

Table 3: Health indicators

	2010			2005		
	Bottom income-quintile (%)	**Mid income-quintile (%)**	**Top income-quintile (%)**	**Bottom income-quintile (%)**	**Mid income-quintile (%)**	**Top income-quintile (%)**
Self-perceived "bad" health status (age group: 55 to 64 years)-Males	11.9	6.2	7.8	9.5 (21.6)	8.7 (11.3)	3.5 (4.7)
Self-perceived "bad" health status (age group: 55 to 64 years)-Females	7.5	7.8	2.6	8.0 (22.3)	9.0 (12.6)	3.3 (5.2)
Self-perceived "bad" health status (age group: 65 to 74 years)-Males	26.6	9.7	9.4	17.6 (25.3)	11.5 (14.2)	6.2 (6.2)
Self-perceived "bad" health status (age group: 65 to 74 years)-Females	17.7	10.0	3.0	22.2 (32.5)	16.3 (14.4)	5.8 (9.5)
Self-perceived "very bad" health status (age group: 75 years and over years)-Males	18.4	13.8	2.8	3.8 (11.4)	12.9 (4.6)	2.5 (3.5)
Self-perceived "very bad" health status (age group: 75 years and over years)-Females	16.4	15.8	19.9	12.0 (15.0)	8.4 (5.9)	1.0 (6.7)
	2009			**2000**		
Healthy life years at birth (% of the total life expectancy)	***Males***: 77.4% ***Females***: 73.6%			***Males***: 87.9% ***Females***: 84.6%		
Healthy life years at 65 (% of the total life expectancy at this age)	***Males***: 40.0% ***Females***: 32.0%			***Males***: 58.7% ***Females***: 56.9%		

Source: See Table 2.
In parenthesis: EU-27 average (no data available for 2010)

Life expectancy at birth significantly improved over the last decade. In 2010 it reached 78.4 years for men and 82.8 years for women (respective EU-27 rates for 2008[47]: 76.4 and 82.4

[46] To note that Greece does not use the OECD system of health accounts. This creates comparability problems in respect to some categories of health spending (e.g. pharmaceuticals, see Kyriopoulos et al. 2011, pp. 51-2), and is the cause of data gaps concerning Greece in the OECD, WHO and EU data bases. Lately steps have been taken to facilitate the introduction of the OECD system of health accounts.

[47] No available data either for 2009 or 2010.

years). However, as shown in Table 3, healthy life years at birth significant decreased over the last decade. As a percentage of total life year expectancy, healthy longevity decreased from 87.9% to 77.4% for men and from 84.6% to 73.6% for women. Equally, in 2010 life expectancy at the age of 65 years was above the EU-27 average[48] for men (18.5 and 17.2 years respectively); and close to the EU-27 average for women (20.4 and 20.7 years respectively). Yet, again healthy life years at 65, as a percentage of total life expectancy at this age, considerably decreased from 58.7% to 40.0% for men and from 56.9% to 32.0% for women. This indicates a deterioration of health conditions for both men and women despite gains in life expectancy (and rising health expenditure). Among other factors, poor to non-existent preventive health measures and serious gaps in health care quality (due to high fragmentation and inequalities in health insurance coverage until recently) account for this.

Moreover, as indicated by the EU-SILC data on "self-reported health status", inequalities in respect to people with "bad" and "very bad" health status manifested a deepening trend particularly for persons in the bottom income quintile. This is mostly pronounced for men in this income group and in all three age brackets examined. Particularly acute is deterioration of self-perceived health conditions among men 75 years and over with income falling into the bottom quintile, from 2005 to 2010 (3.8% in 2005 – well below the EU-27 average – but 18.4% in 2010). The same holds also for men in the age group 64-74 years, in the bottom quintile.

The percentage of women who perceive their health status as "bad" in the age brackets 55-64 years and 65-74 years decreased across all three quintiles shown in Table 3, between 2005 and 2010, but inequalities persist. On the other hand, the percentage of women 75 years and over who perceive their health status as "very bad" significantly increased between 2005 and 2010 in all three quintiles (particularly so in the top quintile). This is partly linked with women's higher life expectancy compared to men, and probably with differences in longevity between women in the top, middle and bottom quintiles.[49] Evidently, a deteriorating health condition among elderly people indicates increasing need for public health and social care services (particularly for old-aged people in the middle to the bottom income quintiles).

2.3.4 Critical assessment of reforms, discussions and research carried out

As stressed in an OECD report (2011a, p. 101) "the real issue in the field of health in Greece is not merely to improve control over expenditures but also, and above all, to enhance the quality of public medical services". However, reform largely prioritises the finance of debt to the detriment of quality, fairness and universal access criteria. Undoubtedly, some reform measures and initiatives are in the right direction in tackling serious functional and financial problems of health care. Yet focus on fiscal restraint should be accompanied by a capacity to use savings from increased efficiency in order to design provision that responds to the latter criteria too.

Further to the measures implemented so far, efficiency gains can increase by systematically tackling fragmentation in the governance and administration of the public health care system. First, the amalgamation processes should proceed further so that EOPYY includes all remaining health funds. Second, a clear cut distinction between the financing of the system and service provision should be effected. In light of this EOPYY could become the funding agency that manages, in a unified way, all public funds devoted to health care. As stressed in the section on pensions, this could facilitate a transition to a truly Beveridgean system funded by taxation abolishing, thus, contributions for health care. This single agency will be responsible for financing all health providers (in the way EOPYY is designed, it caters for a part of the

[48] EU-27 data refer to 2008.

[49] However, there is no available data for life expectancy by age and social-economic group so that we could trace any differences between quintiles.

population and has a hybrid form, namely is a funding agency but also, partly, a provider of services). Concentration of funding responsibility to a single agency will contribute to better planning and allocation of resources (between primary and hospital care).

Third, better monitoring and control mechanisms of illegal remuneration practices by public sector doctors should be introduced so as to limit (and eventually abolish) informal (under-the-table) payments.

Fourth, co-payments deemed necessary under austerity measures need to be reconsidered so as to allow for exemptions of vulnerable groups. Finally, proceeding to a truly national health system could significantly contribute to designing a more integrated system of remuneration of health professionals across the various primary and secondary health care units that could provide enhanced incentives to deliver cost-effective better quality services.

2.4 Long-term Care

2.4.1 The system's characteristics and reforms

As stressed in the Annual Reports of 2009 and 2010, long-term care is a little developed area of social protection in Greece. There are no comparable available data on expenditure in this policy field. The closest indicator, concerning expenditure for elderly care (that is, care allowances, accommodation and assistance in carrying out daily tasks) stood at 0.09% in 2008, well below the EU-27 average (0.41%). There are no data available for private spending either for social care in total or long-term care.

Personal social services (to children, the elderly, the disabled and other vulnerable groups) have developed slowly and in a fragmented way, while informal care within the family (in relation to privately financed care services provided mostly by legal and/or illegal migrant women, either as co-residing or daycare minders) has persistently played a crucial role in covering needs (Guillen & Petmesidou 2008, p. 75; Lymberaki & Tinios 2010; Lymberaki 2011).

Widespread and uniform provision of first-stop services addressed to all the population is lacking, while systematic data on care needs and differences in access to services by gender, age, health status, ethnic minorities and geographical location are absent.

Particularly regarding long-term care for the elderly, there is a mix of services provided: (a) by social insurance schemes (mainly nursing care in private clinics for chronically ill elderly people, though the extent and level of coverage significantly differ among the various social insurance funds); (b) by "new units" for elderly care – home help, daycare for frail elderly people – operated under the auspices of local authority agencies; and (c) by the family, as informal (unpaid or paid) care. Most of the "new units" have for a long time operated as distinct programmes (funded by EU sources) under the management of local agencies. Initially it was considered that the new units would be integrated in unified local authority social services for which national funding would progressively be provided so as to secure their operation after the termination of the specific EU programmes. However, this plan has not been realised so far; temporary employment (short-term contracts and stagiaires) is the rule and sparse national funding disrupts service provision.

Social insurance funds exhibit high inequalities as to the range and quality of services (for long-term care) offered. Per diem cost is kept low and the quality of services is deficient. Thus, extra care needs to be provided by the patient's family or by privately (often informally) paid nurses. The interaction between health and long-term care does not constitute an area of significant policy concern.

Debt-stricken local authorities are even more unable than before to integrate programmes such as "home help" in their main functions. Strikingly, in order to continue provision of home-help services to frail elderly people most in need, local authorities brought once more the programme under the umbrella of EU funding in the context of the National Strategic Reference Framework, and particularly under the actions for tackling unemployment. Hence eligibility of elderly people for service provision is linked to their having an unemployed close relative (son/daughter, grandson/granddaughter) looking for a job. Surely this option diverges focus from care needs to labour market issues. It fosters inequity in need coverage, as it excludes from eligibility elderly people who have no unemployed close relative (particularly very old lonely people) but are in need of care, and complicates programme eligibility monitoring. Unsurprisingly, soon authorities realised that a substantial number of elderly people could not meet this basic requirement. A broader interpretation of kinship grade was adopted by authorities so that elderly people could "trace" even distant kin being unemployed in order to be entitled to home help.

Further drastic reductions in wages, salaries and pensions stipulated by the second bailout plan will significantly diminish resources for informal help hiring, while at the same the state increasingly defers the cost of care to families by rolling back even the rudimentary care services offered by local authorities. Obviously this increases disproportionally the share of unpaid care work by women.

2.4.2 Debates and political discourse

Fiscal adjustment and the impact on pensions and health care overshadow issues of social care. To the extent that demographic ageing enters public debate, it is its impact upon pension and health care expenditure that is at the forefront. As stressed in the 2011 Annual Report, long-term care in Greece has persistently been confronted by government officials and political actors as an adjunct to programmes and measures concerning encouragement of female employment (female competitiveness, reconciliation of family and work life and other similar projects), rather than as a more or less distinct field of policy. Such a subsidiary role for social care is clearly evident in respect to the recent redesign of eligibility criteria for provision of home-help services to vulnerable elderly people. Equally absent is also debate on declining healthy longevity that steeply increases the need for care.

2.4.3 Impact of EU social policies on the national level

The OMC in this policy field has not had any significant impact so far. EU impact is mostly through funding under the Community Support Frameworks (CSFs) that gave a major push in the establishment of a number of social care "units" (nurseries, centres of creative activities for children, daycare centres for frail elderly people, home help for elderly and disabled people, centres for promotion to employment etc.) particularly over the 2000s. Yet the crisis is seriously threatening many of these new units.[50]

An overhaul of the national mode of governance (the so-called Kallikratis plan) transferred social care and social welfare responsibilities to local authorities in 2010. Yet adverse economic conditions hindered any developments in integrating existing "fragmented" welfare structures. New units, such as "home help" relied extensively on EU funding and temporary appointed personnel and, thus, their operation has been intermittent depending on availability of resources.

[50] Long arrears of pay to staff of nurseries, daycare centres for frail people, home help programmes and other units run by local authorities are of frequent occurrence.

As stressed in the 2011 Annual Report, long-term care is totally absent as a policy concern in the NRP 2011-2014, and the serious challenges in respect to care needs posed by rapid demographic ageing are not touched upon. Introducing social insurance for long-term care has never been an issue of serious debate in Greek society, and indeed the crisis conditions hardly favour such a concern.

2.4.4 Impact assessment

The financial crisis seriously limited the local authorities capacity to proceed to an integrated system of service provision, even though the "Kallikratis plan" of 2010 considerably broadened their responsibilities in social welfare. As mentioned above, for funding purposes social care is treated as an adjunct to labour market policy priorities.

Furthermore, it is highly likely that the agreed under the bailout deal dismissal of a large number of temporary staff at local authorities will severely jeopardise the operation of social care programmes (mostly relying on temporary staff).

Table 4: An indicator of care needs

	2010			**2005**		
	Bottom income-quintile* (%)	**Mid income-quintile (%)**	**Top income-quintile (%)**	**Bottom income-quintile (%)**	**Mid income-quintile (%)**	**Top income-quintile (%)**
Self-perceived limitations in daily activities (age group: 65 to 74)-Males**	25.5	11.5	12.2	15.7 (14.6)	14.6 (13.4)	3.8 (8.6)
Self-perceived limitations in daily activities (age group: 65 to 74)-Females	17.9	15.9	3.5	16.9 (15.7)	15.3 (14.5)	8.2 (12.0)
Self-perceived limitations in daily activities (age group: 75 years and over)-Males	41.9	33.8	19.4	18.3 (23.3)	21.7 (22.5)	13.0 (18.0)
Self-perceived limitations in daily activities (age group: 75 years and over)-Females	39.8	42.1	43.8	21.9 (26.2)	22.5 (27.1)	15.9 (27.3)

Source: See Table 2 (in parenthesis EU-27 rates)
** Of equivalised household income*
*** Activity restriction for at least the past 6 months: people "severely hampered" in their daily activities*

So far major components of policy planning (like systematic needs assessment, monitoring of adequacy of coverage and quality of care) have been absent. Hence there are big information gaps in respect to crucial indicators (extent and level of need in respect to age and gender, extent of coverage, monitoring and control of service quality, number of staff by professional category, number of people in residential or daycare etc.). Equally absent at the local authority level are organisational concerns for networking diverse providers (public, private, NGOs) and facilitate easy access to available services through a one-stop agency.

As we can infer from Table 4, care needs have increased over the second half of 2000s, and at the same time inequalities in respect to need widened particularly in the age-group 65 to 74 years.[51] In 2005 the rates of "severely hampered" elderly people in all three income quintiles, and for both age groups examined, were close to or lower than the respective EU-27 averages.

[51] Strikingly the situation worsened for men of this age-group belonging to the top-income quintile in 2010; a condition that could be related to improvement in the life expectancy rate for this group.

Conditions worsened notably for elderly people 75 years and over with incomes in the bottom quintile (the rate of "severely hampered" elderly men and women of this age group rose from 18.3% and 21.9%, respectively, in 2005, to about 42% and 40% in 2010). Also, in 2010 about a fourth of men and a little less than a fifth of women 65-74 years with incomes in the bottom quintile declared they were "severely hampered in daily activities". These data indicate a steadily increasing need for care particularly among low-income elderly people. Given the paucity of public provision, inequalities in meeting need will deepen. As the economic crisis intensifies hardship, meeting need through private arrangements can scarcely be an option for elderly people at the lower end of the income scale.

2.4.5 Critical assessment of reforms, discussions and research carried out

Long-term care receives little attention in public debate. Yet demographic ageing, under conditions of decreasing healthy life years, indicate a rapidly increasing need for institutional arrangements in this policy field. The severe economic crisis may leave little room for an expansion of public provision, but it might provide an opportunity for rationalisation and efficiency gains.

The option of social insurance coverage for long-term care needs could surely offer a solution for the future. Yet it is not on the horizon, as it will increase social insurance contributions that are considered already high by employers and official authorities. Besides, it runs counter to the conditionalities of the new "Memorandum" that links any prospects for improving competitiveness with a decrease of contributions (in tandem with the decrease of wages).

As it is highly unlikely that under the harsh fiscal adjustment measures the debt-stricken local authorities will expand and improve social care provision, it is imperative that savings and quality improvement be sought through better governance of the so far fragmented, rudimentary provision. The aim is to maintain operation of new service units such as the home help programme, the centres for daycare of frail elderly people and others. In this respect local authorities could play a coordination role in promoting the formation of networks of various providers (public, private, NGOs) targeted to elderly care. To this could contribute the establishment of one-stop agencies at the local level as single entry points into the social care and welfare system. Moreover partnership building could take the form of pooled budgets between cooperating institutions so as better use resources for developing integrated care packages for elderly people in need, link up health care provision to social care and facilitate the introduction of regulatory mechanisms across the whole range of providers.

Even so, protracted austerity will seriously squeeze public spending available for social care programmes. Hence the need for (paid and, mostly, unpaid) informal care will continue growing, and in this respect an overhaul of social benefits is required so as to better target resources to low-income elderly people in need of care. Needless to say, support to informal carers (primarily women) must also be a priority of social services at the local level.

2.5 The role of social protection in promoting active ageing

2.5.1 Employment

The effects of demographic ageing in society do not attract much attention in public debate. Issues such as age discrimination at work and in other contexts, as well as the need to create age-friendly conditions in the workplace and improve skills of older workers seldom enter policy debate. Ageing is a concern only in respect to pension sustainability, with political debate and conflict focusing mostly on the need for increasing the retirement age so as to secure system viability.

Over the last decade the employment rate of older workers (55-64 years) increased only slightly (from 38.2% in 2001 to 42.3% in 2010; EU-27: 46.3% in 2010). The employment rate for older male workers remained almost stagnant in this period (56.5% in 2010; EU-27: 54.6%). The respective rate for women increased from 22.9% in 2001 to 28.9% in 2010 (EU-27: 38.6%). Such low participation rates of older workers are mostly accounted for by policies favouring early retirement in the 1980s and 1990s. Moreover, the comparatively low mandatory retirement age for government employees, and particularly opportunities for early retirement for women with underage children without considerable penalties, in effect until the recent pension reform, significantly contributed to low participation rates of older workers.

As mentioned earlier, the 2010 pension reform set retirement age at 65 years for the entire working population and contribution period will be extended so as to reach 40 years in 2015. The reform also abolished favourable regulations for early retirement of women with underage children in the public sector. In addition, the recent overhaul of the list of arduous and hazardous jobs significantly reduced the number of occupations entitled to a full (or reduced) pension at a lower normal (or early) retirement age. Projections of net theoretical replacement rates for 2050 indicate a malus/bonus system for early or delayed retirement. Evidently the changes under way favour staying longer in working life.

However, there are counter tendencies too. Under the current economic crisis unemployment of elderly workers significantly increased. In 2010 the unemployment rate among workers aged 55 to 64 was 6.8%, but jumped to 10.1% a year after. Deepening recession may further exacerbate older workers' unemployment risk, leading to early exit from the labour market. In addition, the enforced by the bailout agreement dismissal of 150,000 public sector workers between 2012 and 2015 will also contribute to premature exit.

Moreover, according to the Survey of Health, Ageing and Retirement in Europe (SHARE) quality of employment, measured on the basis of the level of control at work and the effort-reward balance, is found to be very poor in Greece (as also in Italy) particularly among workers with low education (quality was found highest in northern countries). This parameter is considered to be linked with reduced well-being (measured by poor self-rated health). As emphasised in this study, poor quality of employment, largely the result of less developed occupational health and safety standards, is a factor that discourages engagement in the labour force among older workers (Siegrist 2008, pp. 192-8).

Other barriers to active ageing concern lack of appropriate skills, education and access to training needed to update skills or move to a new job (according to Eurostat data, in 2010 the share of persons aged 25 to 64 years in Greece participating in lifelong learning was only 3.0%, compared to 9.1% for EU-27).[52]

According to the Eurobarometer findings (2012), only about a fourth of respondents in Greece consider the possibility of working past the statutory retirement age (compared to about a third for the EU-27). Interestingly, such a rate is much lower among managers and office workers (12% and 13% respectively). On the other hand, 38% of self-employed and 28% of manual workers consider to stay in employment after state pension age. The flip side of this attitude is that 7 out of 10 respondents believe that the retirement age does not need to increase (EU-27 60%). As regards age discrimination at work only 6% stated that they have been victims of discrimination because of their age, while 15% witnessed occurrences of discrimination. On the other hand, a survey of job advertisements in a Greek town, recently undertaken by NGO "50+ Hellas", found that a little less than a third of the 3,382 advertisements of vacancies examined

[52] This indicates that Greece has to speed up policy implementation for improving lifelong learning structures and increase access to education and training programmes, if it is to reach by 2020 the benchmark set by the EU, namely that an average of at least 15% of adults aged between 25 and 64 should participate in lifelong learning.

discriminated with respect to age.[53] To add that Greece transposed the principles of the two anti-discrimination directives (2000/43/EC & 2000/78/EC)[54] into national legislation in 2005 (Law 3304). However, so far, implementation of the law is not up to expectations (Karantinos and Manoudi 2011, p. 23). Few complaints regarding age discrimination reach the Ombudsman Office. In 2009 only seven complaints were filed for age discrimination, and one in 2010, and these concern rejections of applications to public service jobs because of upper age limits.[55]

2.5.2 Participation in society

Volunteering is not widespread in Greek society, and systematic information on the size and scope of volunteer activity is lacking.[56] According to the Eurobarometer data only 8% of citizens undertake voluntary work for an organisation in Greece (compared to a little over a quarter in EU-27). The gap between Greece and the EU-27 average is particularly high in respect to older people's involvement in voluntary work: only 4% of people 55 years and over declared that they undertook voluntary activity (compared to 27% in EU-27; the respective rates for people 15 to 54 years are 10% in Greece and 26% in EU-27). Equally low is the percentage of people who perceive volunteering to be a way in which people aged 55 years and over can "contribute greatly" to the economy and society (36%; EU-27: 58%).

Despite the low levels of civic engagement, Greek people assign a positive role to older people's organisations (51%; EU-27: 70%) as well as to religious organisations (56%; EU-27: 63%) in tackling the challenges of the ageing population. National and local authorities are least likely to be considered as playing a significant role in this respect (19% and 25%, respectively; EU-27: 39% and 50%, respectively). A finding that reflects the absence of an integrated statutory social care system.

2.5.3 Healthy and autonomous living

As indicated above, mortality declines among the elderly have been associated with increased frailty and worsening health particularly among old-aged people at the lower end of the socio-economic hierarchy. On the basis of data of the SHARE survey, the supply of special provisions to people aged 80 years and over with physical impairments is very low in Greece (only about 5% of the very old live in accommodations thus equipped; compared to 50% in the Netherlands, followed by Denmark and Sweden; Börsch-Supan, 2005, pp. 45-6). Equally important is general house equipment for the ability of the elderly to live autonomously. According to the findings of the above study 10% of elderly people have no indoor bath, and 20% lack central heating in Greece.

With regard to the "age-friendliness" of local environment, 57% of citizens in Greece feel that their local community is not age-friendly (compared to 35% in EU-27; Eurobarometer 2012). In response to the question on how the environment can be adapted to the needs of older people, the most commonly mentioned improvements in their local area include "facilities for older people to stay fit and healthy" (55%; EU-27: 42%), "improvements to public areas, such as parks" (47%; EU-27: 25%), "improvements to roads" (45%; EU-27: 31%) and "to public transport" (39%; EU-27: 47%).

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[53] Retrieved on 30 January 2012 from http://www.50plus.gr/compatingagediscrimination.

[54] On equal treatment regardless of racial or ethnic origin, religious or other beliefs, disability, age or sexual orientation.

[55] Retrieved on 2 February 2012 from http://new.synigoros.gr/?i=metaxeirisi.el.image.

[56] For a study of volunteer work in social protection in Greece see Polyzoidis 2009 (the study was carried out in the early 2000s). In a total of about 9,000 volunteers in this field about a fifth was over 55 years of age. These were mostly elderly women participating in philanthropic societies that provided support in cash and kind to families in need. The author indicates that this was a volunteer activity on the decline over the 2000s.

Combined with the low development of statutory and voluntary social care services, these data indicate the paucity of a public policy (and of well-founded empirical research) for promoting healthy and autonomous living of older people. Family and kin remain the main providers of care services to the old-aged. This is corroborated by the findings of the SHARE study: in the late 2000s about two thirds of elderly people lived either in the same household or in the same building with their children (compared to less than 20% in northern countries, Siegrist 2008, pp. 164-170).[57]

Spatial proximity of the elderly and their children encourages intergenerational support in both directions. Thus, on the basis of the SHARE findings, about 80% of grandmothers, in Greece, who declared that they look after their grandchildren regularly, did so at least once weakly or more often (compared to about 20% to 30% in northern countries; Siegrist 2008, pp. 171-3).[58] Also, on the basis of the Eurobarometer data 89% of citizens in Greece think that elderly people (55 years and over) could significantly contribute by looking after their grandchildren (EU-27: 82%), by providing care to disabled and sick members of the family (81%; EU-27: 72%), as well as by providing financial support to family members (83%; EU-27: 74%).

On the other hand, owning to lack of statutory care and support infrastructure, living alone at old age implies a high risk of social exclusion in Greece: non-family help in respect to personal care and practical tasks to elderly people living alone was found to be lowest in Greece and Spain (only a little over 10% of respondents received such a help; compared to almost 40% in the Netherlands; Siegrist 2008, p. 175).

Finally, the need for some kind of support to kinship carers is blatantly evident in the Eurobarometer data. Half of the respondents believe that the government should develop policies for supporting informal carers by helping them financially (50%; EU-27: 44%), by offering the possibility of working flexible hours so that they can combine work with care responsibilities (44%; EU-27: 38%); and by providing training to them for caring services (30%; EU-27: 21%). Also 27% (EU-27: 33%) stressed the need for informal care work to be covered under social security.

[57] High frequency of co-residence characterises Spain and Italy too. Unsurprisingly, economic crisis conditions accentuate multigenerational living in these countries. Persistently high youth unemployment, in South European countries, exacerbates the financial difficulties young people encounter if they want to live independently. Hence the rise of the so-called "boomerang generation", that is, young people moving back home for financial reasons. A term linked also to a parallel phenomenon of the "sandwich generation", referring particularly to adult women struggling to care for ailing parents, adult children and grandchildren (Grudy and Henrett 2006).

[58] This trend runs opposite to employment rates among grandmothers (around 15% of grandmothers were working in South European countries; while the respective percentage in Sweden and Denmark was around 60%).

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MATSAGANIS, MANOS (2011), The welfare state and the crisis: the case of Greece, Journal of European Social Policy, 21 (5), pp. 501-512.

MATSAGANIS, MANOS AND LEVENTI, CHRYSA (2011), Inequality, poverty and the crisis in Greece, ETUI Policy Brief, Issue 5, retrieved on August 2011 at http://www.etui.org/Publications2/Policy-Briefs/European-Economic-and-Employment-Policy/Inequality-poverty-and-the-crisis-in-Greece.

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3 Abstracts of Relevant Publications on Social Protection

[R] Pensions
- [R1] General trends: demographic and financial forecasts
- [R2] General organisation: pillars, financing, calculation methods or pension formula
- [R3] Retirement age: legal age, early retirement, etc.
- [R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.
- [R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[H] Health
- [H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.
- [H2] Public health policies, anti-addiction measures, prevention, etc.
- [H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.
- [H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.
- [H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)
- [H6] Regulation of the pharmaceutical market
- [H7] Handicap

[L] Long-term care

[R] Pensions

[R5] DAFERMOS, Yiannis and PAPATHEODOROU, Christos, Το παράδοξο της κοινωνικής πολιτικής στην Ελλάδα: γιατί η αύξηση των δαπανών για κοινωνική προστασία δεν μείωσε τη φτώχεια; Κείμενα Πολιτικής, GSEE Labour Institute, 2011.

"The paradox of social policy in Greece: why has the increase of public protection spending not reduced poverty?"

This policy brief focuses on the "paradox" of social policy in Greece, namely the fact that although social expenditure expanded rapidly over the period 1995-2008, the effectiveness of social spending had persistently been rather low, measured in respect to the contribution of social spending to poverty reduction. The following factors account for this paradox: high fragmentation and inequalities in social and health insurance coverage among the various socio-professional groups, and preponderance of pensions, while all other social benefits (family, housing, unemployment etc.) remained low (at about 3% of GDP).

[R1] INTERNATIONAL LABOUR OFFICE, *Report on the High Level Mission to Greece (Athens, 19-23 September 2011)*, Athens, 2011 retrieved from http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/missionreport/wcms_170433.pdf

The report presents the legislative changes and reforms under way in Greece in the context of the bailout deal. The views of Ministry officials and representatives of workers' and employers' organisations on issues concerning collective bargaining, employment policy, social security and labour inspection are briefly presented. The High Commission concludes on the challenges facing Greece in tackling its serious fiscal problems. It emphasises "the unprecedented changes introduced in the Greek labour market institutions", though in a way that seems to "be disconnected from Greek realities, thereby weakening, among other things, the impact and real effects of the reforms". At this time of crisis, the High Commission considers essential "to allow the Greek social partners and the Government the necessary space to find common solutions to problems that they all seem to acknowledge, in a manner which corresponds to the country's conditions and international obligations".

[R1; R5] MATSAGANIS Manos, *Η Κοινωνική Πολιτική σε Δύσκολους Καιρούς*, Αθήνα, Κριτική, 2011.

"Social Policy Making in Hard Times"

The author examines the complex links between facets of the welfare state in Greece and the causes of the current crisis. Increasing social expenditure until 2009 is considered as a major cause of fiscal derailment. Moreover, rising social spending (that almost reached the EU average) has not been accompanied by the "Europeanisation" of policies. The welfare state became very costly but remained fragmented and ineffective. The reform trajectory under the austerity plan is examined with an emphasis on the need for governmental authorities to proceed to a bolder overhaul. Instead of tenaciously maintain privileges for specific socio-professional groups, policies should aim to rationalise spending and save resources that could be channelled to effectively tackling poverty. The utmost need for a well-planned and effective social safety net, as a cushion for the crisis effects on the most vulnerable groups, is a major conclusion of the book and a policy proposal extensively documented by the author.

[R1; R2] MATSAGANIS Manos, The welfare state and the crisis: the case of Greece, *Journal of European Social Policy*, 21(5): 501-512, 2011.

The author argues that increasing social expenditure and particularly rising deficits in pensions and health are among the factors that significantly contributed to the current economic and fiscal crisis in Greece. Fiscal adjustment and ensuing austerity measures deprive the welfare state of resources but at the same time set forth structural reforms that could contribute to rationalising social welfare schemes. The question raised is how the welfare state could help cope with the consequences of the crisis. According to the author this "will require considerable reconfiguration and proper funding of social safety nets" and a reform effort for reviving "welfare state building" in Greece under the harsh conditions of the crisis.

[R5] MATSAGANIS Manos and LEVENTI Chrysa, Inequality, poverty and the crisis in Greece, *ETUI Policy Brief – European Economic and Employment Policy*, 5(26 Sept): 1-5, 2011.

This policy brief constitutes an early assessment of the impact of the crisis on income inequality and poverty. It draws upon a simulation study (for 2010 incomes). Taking as a base line the 2009 poverty line the authors stress that the poverty rate increased from 20% to around 25% (as 5% of the Greek population saw their 2010 incomes fall below the 2009 poverty line). Overall, however, they arrive at the conclusion that the burden of austerity has been shouldered in a more or less balanced (that is, progressive) way by income groups. Nevertheless they stress the need for tightening the social safety net so as "to shield the weakest groups" from the adverse effects of the crisis.

[R1] TINIOS, Platon, International accounting standards as catalysts for pension reform: Greek pensions and the public/private boundary, *Journal of European Social Policy*, 21(2): 164-177, 2011.

The article examines "a specific failure of pension system governance", namely the vague boundary between social policy and occupational pensions that arises under conditions of high fragmentation of the pension system. This facilitates the appropriation of public subsidies by the funds of various socio-professional groups. The author links this practice with escalating deficits of pension funds in Greece that contributed to the current fiscal and economic crisis. The obligation imposed by the European Commission "to account for pension promises under International Accounting Standards" brought into relief the "vague boundary between social and occupational pensions" and made necessary a clear demarcation. As an example of this, the solution to the problems of the Greek pension system given in 2005–6 is illustrated.

[H] Health

[H5] ANDROUTSOU, Lorena, GEITONA, Mary and YFANTOPOULOS, John, Measuring efficiency and productivity across hospitals in the regional health authority of Thessaly, in Greece, *Journal of Health Management*, 13(2): 121-140, 2011.

The article presents the findings of a performance assessment study of homogenous specialty clinics across all National Health System (NHS) hospitals in the Regional Health Authority of Thessaly (RHAT), over the period 2002–2006. Data Envelopment Analysis is applied by using the Malmquist Productivity Index and its decompositions with the aim to measure technical efficiency and productivity. The findings show an improvement in productivity in all clinics, but technical efficiency regresses in four clinics. Importantly, given available labour and capital inputs the maximum level of outputs has not been achieved (except orthopaedic clinics).

[H2] CONSTANTINIDIS, T.C., VAGKA, E., DALLIDOU, P., BASTA, P., DRAKOPOULOS, V., KAKOLYRIS, S. and CHATZAKI, E., Occupational health and safety of personnel handling chemotherapeutic agents in Greek hospitals, *European Journal of Cancer Care*, 20(1): 123-131, 2011.

The article examines the safety conditions for hospital personnel handling chemotherapeutic agents. A self-evaluation questionnaire was completed by 353 health care workers involved with the use of chemotherapeutic drugs in 24 Greek hospitals. The findings show that the majority of health care workers are aware of the dangers of their work, though they have not received adequate training on personal protection. Also the overall safety design in the workplace is poor. Some of the interviewed health care workers declared that they use protection equipment; but often this is used inadequately. Therefore various health problems are experienced by health workers, such as problems of the respiratory system, the central nervous system etc. The authors stress the imperative need for improving safety conditions and training and enhance medical surveillance in hospitals.

[H3] ECONOMOU, Marina, MADIANOS, Michael, THELERITIS, Christos, PEPPOU, Lily E. and STEFANIS, Costas N., Increased suicidality amid economic crisis in Greece, *The Lancet*, 378(October 22): 1459, 2011, retrieved from http://www.thelancet.com

This is a short note on the results of a study undertaken by the University Mental Health Research Institute (Athens University), in 2011, on the links between major depressive symptoms and the economic crisis conditions. Compared to the results of a similar study carried out in 2009, the number of people who reported having attempted suicide in the month before the survey increased by 36%. Particularly high was the number of people in high economic distress who declared that had attempted suicide in the month before the survey. The authors stress the need for support measures so as to "prevent suicidal attempts and guide people to effective and timely treatment".

[H2] EFSTATHIOU, N., COLL, A.M., AMEEN, J. and DALY, W., Do Greek health care users and health care providers share cancer care priorities? Analysing the results from two Delphi studies, *European Journal of Cancer Care*, 20(2): 179-186, 2011.

The article presents and analyses the findings of a study that aimed to identify the care priorities perceived by health care providers and users in the field of cancer care. Two Delphi surveys were conducted to identify the priorities of each group and the extent to which there is agreement between them.

[H2] FILIPPIDIS, F.T., TZAVARA, Ch., DIMITRAKAKI, C. and TOUNTAS, Y., Compliance with a healthy lifestyle in a representative sample of the Greek population: Preliminary results of the Hellas Health I study, *Public Health*, 125(7): 436-441, 2011.

The article is based on a study of lifestyle behaviours, such as smoking, physical activity, weight status and dietary habits, in a representative sample of the adult Greek population. The findings stress a high prevalence rate for smoking, physical inactivity and obesity and low compliance with the Mediterranean diet. The authors conclude that "interventions focused on health promotion and primary prevention are urgently needed".

[H3] GRAMMATIKOPOULOS, Ilias, KOUPIDIS, Sotirios, PETELOS, Elena, and THEODORAKIS, Pavlos, Mental health policy in Greece: implications into practice in the era of economic crisis, *European Psychiatry*, 26(Supplement 1), 2011, retrieved from http://www.sciencedirect.com/science/article/pii/S0924933811722465

The article reviews the mental health situation in Greece and mental health policies, and comments on the implications of the economic crisis. After a brief overview of the main characteristics of the health care system in Greece the emphasis is placed on various aspects of mental health care. The authors indicate the absence of cost-effective policies, the preponderance of informal payments, the uneven regional distribution of psychiatrists and the dearth of mental health units in the rural areas. They conclude that "the core problem with mental health services in Greece is the shrinking budget with poor financial administration consistent with inadequate implementation of mental health policy". They, thus, highlight the need for an integrated mental health policy agenda.

[H3] KARAMANOLI, Eva, Debt crisis strains Greece's ailing health system, *The Lancet*, 378(July 23): 303-304, 2011, retrieved from http://www.thelancet.com

This is a short note on the NHS profile at the time of the crisis, the measures taken by the Ministry of Health in order to cut down medical expenses, the effects of the crisis on the morale of doctors, nurses and all other medical staff, and the everyday problems encountered by patients in public health care institutions.

[H5] KARASSAVIDOU, Eleonora, GLAVELI, Niki and ZAFIROPOULOS, Kostas, Assessing hospitals' readiness for clinical governance quality initiatives through organisational climate, *Journal of Health Organisation and Management*, 25(2): 214-240, 2011.

The authors investigate the organisational climate in three Greek NHS hospitals with the aim to arrive at proposals for improving clinical governance. The Clinical Governance Climate Questionnaire they used proved to be an appropriate tool for tracing "problematic areas" of organisational climate in hospitals. The findings show that organisational climate is not supportive to successful clinical governance implementation. The paper concludes on some fundamental pre-conditions for hospitals in order for quality initiatives in clinical governance to be successful (among others the need for shared vision, goals and values, inspiring leadership, flexibility in structures, reasonable wages and supportive work conditions).

[H5] KARIDIS, Nikolaos P., DIMITROULIS, Dimitrios and KOURAKLIS, Gregory, Global Financial Crisis and Surgical Practice: The Greek Paradigm, *World Journal of Surgery*, 35(11): 2377-2381, 2011.

The article examines the effects of health care spending cuts on costly interventions, particularly in surgical practice. The increase in utilization of public health resources is stressed, yet under conditions of lack of basic and advanced surgical supplies, salary deductions, and emerging problems in patient (perioperarive) management. These contributed to "serious dysfunction of a public health system unable to sustain current needs". The authors conclude that the Greek case of health policy reform under conditions of harsh cuts should serve "as an alarming paradigm for the global community under the pressure of a profound financial recession".

[H3] KENTIKELENIS, Alexander, KARANIKOLOS, Marina, PAPANICOLAS, Irene, BASU Sanjay, MCKEE, Martin and STUCKLER, David, Health effects of financial crisis: omens of a Greek tragedy, *The Lancet*, 378 (October 22): 1457-1458, 2011, retrieved from http://www.thelancet.com

The authors examine changes in self-reported health and health care in Greece between 2007 and 2010 on the basis of EU Statistics on Income and Living Conditions and other sources. Their findings indicate worsening health outcomes, especially among vulnerable groups, a rise in suicides and violence and a significant increase in HIV infections. Other issues raised are the increased use of street clinics run by NGOs. The authors find the "picture of health in Greece concerning" particularly as the effort to finance fiscal debt make "ordinary people pay the ultimate price" by losing access to care and preventive services.

[H6] KYRIOPOULOS, Yiannis, MANIADAKIS, Nikos, and STOURNARAS, Yiannis, *Δαπάνες και Πολιτικές Υγείας στην Ελλάδα την Περίοδο του Μνημονίου*, Αθήνα, Ίδρυμα Οικονομικών και Βιομηχανικών Ερευνών, 2011, retrieved from http://www.iobe.gr/index.asp?a_id=847
"Health Expenditure and Health Policies in Greece at the Memorandum Era"

This report presents the findings of a study conducted by IOBE on the effects of the policy measures implemented, in line with the overall objectives and targets of the "Memorandum", in the field of health and particularly in respect to pharmaceuticals expenditure. The overall objective of rationalising expenditure is examined on the basis of policies aiming to slash health expenditure by €2 billion in the period 2011-2012. The study shows that the measures so far implemented are of a short-term character facilitating savings through reduction of wages and prices and increase of rebates. Such measures should be accompanied by structural reforms too, in order to rationalise spending and modernise social and health insurance. Hence strategic measures are required for an effective reform in primary and secondary care. Particular under the new unified health insurance fund (EOPYY) the reorganisation of primary care is required so as to facilitate quasi-market conditions and a global budgeting system. Effective introduction of health promotion measures is also highly important. Reform in public hospital governance is extensively discussed with an emphasis on the need to increase autonomy in hospital management and tighten regulatory mechanisms. As to drug policy, so far measures focused on controlling the prices of pharmaceuticals, by squeezing profit and price margins to such an extent that serious shortage of pharmaceuticals emerge, and on promoting substitute drugs. Yet, according to the authors, more effective and efficient measures are required for controlling the volume of drug consumption. In this direction e-prescribing can be a valuable tool and an information source for monitoring prescription practices and steering policies to achieve targets. In parallel the role of pharmaceuticals industry in economic development should also be taken into account.

[H3] PAPANIKOLAOU, Vicky, VOSKAKI, Angeliki, NEARCHOU, Andreas, PAPADOPOULOS, Zaharias and ROUMELIOTI, Anastasia, Health Inequalities for Women Living in Rural Regions: The Prefecture of Xanthi, Greece, *Health Care for Women International*, 32(7): 613-631, 2011.

From the point of view of gender equity with regard to health care, the authors examine access to health services by women living in the mountainous region of Xanthi in Greece. Their findings indicate that geographic isolation impact negatively on access to health care. According to their survey data, 70% of women in this region (aged 27 to about 80 years) never had a mammogram and 64.2% never (or vary rarely) had a Pap test (corresponding national rates for 2006: 55.9% and 30.5%). The article concludes by suggesting policy measures for reducing health inequalities.

[H6; H3] PAPPA E., KONTODIMOPOULOS N., PAPADOPOULOS A.A., TOUNTAS Y. and NIAKAS D., Prescribed-drug utilization and polypharmacy in a general population in Greece: association with sociodemographic, health needs, health-services utilization, and lifestyle factors, *European Journal of Clinical Pharmacology*, 67(2): 185-192, 2011.

The paper is based on a study carried out in 2006 with the aim to analyse how socio-demographic, health-service utilization, health needs, and lifestyle risk factors influence drug utilization and polypharmacy in Greece. The findings indicate that polypharmacy is more common among women and increases with age. Other factors, such as smoking and obesity increase the likelihood of polypharmacy.

[H1] PAPARRIGOPOULOS, Thomas and LIAPPAS, Ioannis, Greek academic psychiatry and neurology before the firing squad? *The Lancet*, 378(July 23): 313, 2011, retrieved from http://www.thelancet.com

This is a brief note on the negative impact of drastic cuts on the country's academic psychiatry and neurology. The author describes the "painful and destructive cutbacks" that brought on the verge of collapse the Aeginition University Hospital in Athens (home of the Psychiatric and Neurological Departments of the Athens University Medical School). A drastic 30% reduction in government funding, long delays in the provision of essential resources and bureaucratic stumbling blocks are among the causes for the suspension of operation of inpatient care and curtailing of emergency services.

[H5; H3] PERITOGIANNIS V., MANTAS C., ALEXIOU D., FOTOPOULOU V., MOUKA V. and HYPHANTIS T., The contribution of a mobile mental health unit to the promotion of primary mental health in rural areas in Greece: A 2-year follow-up, *European Psychiatry*, 26(7): 425-427, 2011.

The article examines the impact of the development of mobile mental health units in remote rural areas in Greece aimed at decentralising mental health and rehabilitation services. The authors found that after two years of operation of such a mobile mental health unit in Northwestern Greece, referrals increased significantly; while at the same time hospitalisations and relapses were reduced. The authors strongly argue in favour of community-oriented programmes that are considered to successfully address the needs of patients in remote rural areas.

[H2] SOULTATOU, Pelagia, DUNCAN, Peter, ATHANASIOU, Kyriacos and PAPADOPOULOS, Irena, Health needs: policy plan and school practice in Greece, *Health Education*, 111(4): 266-282, 2011.

This article focuses on health promotion initiatives. It uses the concept of health-related needs as a tool for examining health promotion programme in secondary education. It is based on a single case study carried out in Greece. A secondary school was selected as a site for a "good practice" and the continuum from policy design to school practice was studied. The main findings indicate that needs identification and assessment are absent in the policy design and implementation. Moreover, students' perceived needs played no significant role in shaping the health education agenda, a characteristic that, according to the authors, is accounted for particularly by the top-down orientation of the policy plan.

[H3] SPATHARAKIS, G., Palliative care for heart failure in Greece, *European Geriatric Medicine* 2(1): 44-45, 2011.

The article examines palliative care conditions for patients with heart failure in Greek public hospitals. The author stresses the paucity of such specialised care and the absence of protocols in use. Moreover, standard hospital care is not accompanied by the necessary psychological or social support for seriously ill (or terminal) patients and euthanasia is taboo for Greek families. The author stresses the crucial role of the family in respect to all major decisions that need to be taken (for hospitalisation, informal care provision etc.).

[H1] TRIANTAFYLLOU, Konstantinos and ANGELETOPOULOU, Chryssi, IMF and European co-workers attack public health in Greece, *The Lancet*, 378(October 22): 1459, 2011, retrieved from http://www.thelancet.com

This is a brief commentary on the effects of the austerity programmes on public health spending. The authors estimate that beyond bed cuts (even cuts in intensive-care units), a considerable number of health care personnel will lose their jobs, particularly as the second bailout deal is going to deal a serious blow to public health spending.

[L] Long-term care

[L] LYBERAKI, Antigone, Migrant women, care work, and women's employment in Greece, *Feminist Economics*, 17(3): 103-131, 2011.

The article focuses on women's paid and unpaid work in the context of rapid socio-economic change in Greece over the last three decades and highlights the "big picture" of increasing demand for paid/unpaid care (childcare as well as elderly care). The emphasis is primarily on "the link between women's paid employment and the supply of affordable immigrant (female) labour in Greece in the sphere of care provision". The author examines women's increasing involvement in the paid labour force after 1990 and considers the parallel influx of a large number of immigrant women to Greece (after the collapse of the former USSR), who were employed in the informal market of care services, as a catalyst for social change.

4 List of Important Institutions

Κέντρο Προγραμματισμού και Οικονομικών Ερευνών (ΚΕΠΕ) – Centre for Planning and Economic Research

Contact person:	Professor Kyprianos PRODROMIDIS
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Webpage:	http://www.kepe.gr

The Centre for Planning and Economic Research (KEPE) was established in 1957 but took its present form in 1964. It operates under the auspices of the Ministry of the Economy to which it provides technical advice on issues of economic and social policy. Among its main aims are the promotion of economic research on various aspects of the Greek economy, socio-economic data analysis, preparation of forecasts and the drafting of development plans. Although social policy issues are within the scope of KEPE's research activities, its publications (e.g. on pensions) are a bit dated. On the other hand, from a social policy perspective, there is important ongoing research by the Centre on issues of taxation and income distribution, the evolution of household borrowing in Greece, migration issues, education expenditure patterns, employment patterns and labour market trends.
Recurrent publication of KEPE: Quarterly economic review on "Economic Developments".

Ίδρυμα Οικονομικών και Βιομηχανικών Μελετών (ΙΟΒΕ) – Foundation for Economic and Industrial Research

Contact person:	Takis Politis
Email:	politis@iobe.gr
Adress:	11, Tsami Karatassou Street, 11742 Athens, Greece
Webpage:	http://www.iobe.gr

The Foundation for Economic and Industrial Research is a private, non-profit, public-benefit research organisation. It was established in 1975 with the aim to promote research on current problems and prospects of the Greek economy and its sectors and develop reliable data and information that is useful for economic policy making. It is closely linked to the Hellenic Federation of Enterprises (SEB). It primarily carries out applied economic research, it monitors and analyses economic trends and provides systematic information on various sectors of the Greek economy. A "Health Economics Observatory" is operating within IOBE. Its purpose is to monitor and evaluate economic trends in the health care sector. However, up to now the Observatory's research focus is mainly on pharmaceuticals market trends (prospects of pharmaceuticals enterprises in the Greece economy, pricing policies, employment patterns in the pharmaceuticals sector).
Recurrent publication of IOBE (in respect to issues of health economics): Annual Review of the Pharmaceuticals Market in Greece.

Ινστιτούτο Κοινωνικής Πολιτικής του Εθνικού Κέντρου Κοινωνικών Ερευνών (ΕΚΚΕ) – Institute of Social Policy of the National Centre for Social Research

Contact person:	Maria Topali
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EKKE is a public agency operating under the auspices of the Ministry of Development (General Secretariat of Research and Technology). The above Institute was established in 1995

with the aim to conduct research basic and applied research in the broader areas of employment, social policy, inequalities, demography, and family issues.
Recurrent publication of EKKE: The Greek Review of Social Research.

University research: Research on various fields of social policy (health and social care, poverty and social exclusion, migration, comparative social protection systems) is also carried out by the members of staff of the two Departments of Social Policy in Greek Universities.
(a) The Department of Social Administration at Democritus University of Thrace (established in 1996), http://www.socadm.duth.gr*; and*
(b) the newly created Social Policy Department at Panteion University Athens (first established in 1989 as Department of Social Anthropology, Social Geography and Social Policy, but since a few years ago social policy became a separate department), http://www.koinpolpanteion.gr
Also in the University of Athens, at the Department of Nursing there is a Research Unit on Health Services Management and Evaluation [Εργαστήριο Οργάνωσης και Αξιολόγησης Υπηρεσιών Υγείας] http://www.chesme.nurs.uoa.gr/*; and at the School of Medicine, in the Laboratory of Hygiene and Epidemiology, there is a Research Unit on Health Services [Εργαστήριο Υγιεινής και Επιδημιολογίας – Κέντρο Μελετών Υπηρεσιών Υγείας]* http://www.neaygeia.gr/page.asp?p=596

Ινστιτούτο Εργασίας της ΓΣΕΕ (ΙΝΕ-ΓΣΕΕ) – Labour Institute of GSEE (General Confederation of Greek Labour)

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Webpage:	http://www.inegsee.gr/

A non-profit organisation under the auspices of GSEE. It was established in 1990 with the aim to promote research that allows for an evidence-based intervention of GSEE and its trade unions members to policy areas that are of crucial interest to the trade union movement. Among its activities are: the carrying out of research on labour markets trends, poverty and living standards, social insurance and social protection and other issues. It also organises and implements vocational training programmes and supports similar activities organised by GSEE members. Furthermore, it promotes education and training on trade union issues. Apart from various monographs based on specific research it also publishes periodical reports on the Greek Economy and Labour Market and a monthly newsletter. Two observatories on Labour Relations and Migration Trends are also functioning under INE.

Εθνικό Κέντρο Κοινωνικής Αλληλεγγύης (ΕΚΚΑ) – National Centre for Social Solidarity

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The National Centre for Social Solidarity is a State Organisation based in Athens under the authority of the Ministry of Health and Social Solidarity. Its main objective is the coordination of the network that provides social support services, care and solidarity to individuals, families, groups and populations experiencing crisis situations or are in need of emergency social aid. Though it is primarily an organisation that oversees social support services it also promotes studies on social service provision and organises conferences and workshops.

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(1) to improve the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
(2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;
(3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;
(4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;
(5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;
(6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

For more information see:
http://ec.europa.eu/social/main.jsp?catId=327&langId=en