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The Greek social model from a life course perspective

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Aim of the paper

- Identify the challenges creating tensions in four lifecycle transitions
- Describe changes in the social model since the beginning of the 1990s influencing these transitions
- Assess the adequacy of changes to respond to social tensions created by challenges

Developments/trends since the mid 1970s

- Economic crisis, rise of unemployment and precariousness among women and youth
- Spectacular rise of educational attainment level - reversal of gender gap in favour of women
- Increase in female activity & employment rates and in the share of dual earner couples
- Important rise in the standard of living
- Dramatic fall of fertility rates and ageing

Developments/trends (cont.)

- Change in the ethnic composition of labour supply due to immigration
- Improvement of employment protection and of working conditions
- Development of social protection (social security system and healthcare)
- Consecutive reforms of the education system at all levels

Life course employment patterns until the end of the 1970s

MEN

- primary education - unskilled manual work or skilled manual work after informal apprenticeship or short vocational training
- 6-year secondary education - white-collar jobs
- university education - liberal professions and white-collar elites in public sector/banks
- Retirement age 65+ in the private sector, 55-58 in the public sector

Lifecourse employment patterns (cont.)

- WOMEN
- primary education - unpaid work in family businesses and discontinuous paid formal/informal employment (lifecycle events)
- full-time inactivity the privilege of spouses of skilled manual or white-collar workers
- secondary/tertiary education - continuous employment in the public sector - early retirement after 15-25 years of service

TR.1 From education to work youth unemployment + meeting expectations for better jobs

- Delaying entry through more education and training
- Development of targeted employment promotion programmes

BUT

low public spending per capita in spite of
increase in total spending - increase of
financial burden on the family

More education and training

- Quasi-generalisation of upper secondary education (vocational strand identified with school failure) - opening up of higher education
- Development of the post-secondary initial training system (three years - national accreditation)
- Increase of subsidised further training courses - parking for the unemployed - recent attempts to improve quality and link it with initial training

Three distinct transition paths

- Lower secondary education graduates (13%)
high unemployment - second chance schools
- Upper secondary education graduates (37%)
vocational strand - more successful - exit age 18
general strand - high unemployment - enrolment
in initial vocational training - exit age 20-21
- Higher education graduates (60%) - post-
graduate studies (20%) - exit age 22-24

Cost sharing

- Public spending in education <5% of GDP
- No tuitions fees in higher education - but no scholarships, limited accomodation facilities
- Public initial vocational training institutes - low tuition fees - exemptions for children of low income families
- Subsidies to beneficiaries of further training, employment promotion and work experience schemes (active labour market policy)
- Employers save labour and training costs

Parent to children transfers

- Private spending on education and initial vocational training equivalent to public
- preparatory courses for higher education
- cost of maintenance - accommodation during the studies (the great majority of youth in education aged 15-29 does not work)
- unemployment period (no right of primo-entrants to unemployment benefit)
- studies abroad (7% of domestic students)

TR.2 From first employment to career precariousness - mismatch - discouragement

- Growth in the rate of temporary and part-time employment and dependent work on contract
- Fewer chances for self-employment or work in family businesses (growing competition)
- Low minimum wages not ensuring independent living for a single person
- Lower employment protection for youth in public utilities (recently accepted by unions)

- Considerable job creation over the past decade in low and medium skilled manual occupations shun by nationals and massively taken by immigrants
- The 1992 pensions reform raised the minimum contribution period for eligibility to pensions for LM entrants since 1.1.1993.
- New jobs in the public sector mostly on temporary, part time or service contracts
- Employers in SME refuse to insure new recruits

Consequences

- Mismatch between the kind of jobs created on one hand, growth in the supply of skills and expectations of youth on the other
- Displacement of young Greeks with low education by those with higher educational level or by immigrants working uninsured or accepting worse working conditions

SANDWITCH CATEGORY

- Early school leavers and upper secondary education graduates without initial training cannot expect permanent employment
- Vicious circle : precarious employment and unemployment/inactivity
- Young women are more likely to be discouraged and fall to inactivity
- Adjustment of aspirations of better educated youth with respect to employment security
- Delay in leaving parental home, esp. men

Cost sharing

- Essentially transfers from parents to children
- Eligibility conditions for unemployment benefit do not cover precarious jobs
- Active labour market schemes have marginal impact and cannot compensate for other characteristics of the non privileged youth that make them relatively inattractive to employers

TR. 3 Transitions in prime age

a) Changes in jobs/careers

High tenure and low voluntary mobility
because of structural features of the LM

- Licence to practice rules and strong links between qualification and job grade in organised occupational labour markets
- Seniority premia on sectoral minimum wages inhibit hiring of experienced workers by another firm of the same sector

- Seniority premia on sectoral minimum wages inhibit employees from starting a new career in a different sector
- Strong age discrimination at recruitment
- Limited retraining opportunities (1.5% of all aged 24-54 in education or training)
- Business start-up more risky than in the past
- Home ownership (82% of households) and high rents prevent geographical mobility or at least confine it at the beginning of careers

TR. 3 Transitions in prime age

b) from employment to inactivity and back

Great penalties associated with temporary withdrawal from employment for caring or education purposes because

- leaves for care of children and other dependents are limited in duration and unpaid (recently full payment of parental leave of 9 months in the public sector)

- Strong age discrimination at recruitment - great risk of quitting an employer - no opportunities for women returners to find a job after the age of 40
- Limited possibilities for paid leave for educational reasons (only when related to the work performed in the organisation)
- No guarantee in the private sector of returning at the same post after a leave for educational reasons

TR.4 From employment to retirement and old age

Pensions system designed on the basis of the male breadwinner/female carer family model and fragmented mainly according to the private/public divide

FEATURES

- Lower legal retirement age for women insured before 1.1.1993 and early retirement schemes for married women or women with underage children

- Lower legal age of retirement and minimum contribution period for full pension for employees working in the public sector, banks and public utilities
- Problems of women to establish pension rights because of discontinuous employment patterns
- Pensions below the poverty line for the majority of male and female employees in the private sector because of wide-spread contribution evasion in the 1950s, 60s, 70s

Reforms in the pension system

- Equalisation of retirement age between women and men for those insured from 1.1.1993 onwards
- More restrictive conditions for early retirement of women with underage children
- Equalisation of retirement age and minimum requirements between public - private sector
- Lowering of replacement rates of pensions
- Income supplement for those receiving low pensions (means tested)

Transfers from children to parents

- The elderly have no rights for caring - elderly care the obligation of the family
- Community care underdeveloped
- Children supplement their parents' income when parents receive low pensions
- Parents bequest property to their children, though in upper and middle classes this happens long before old age