

Society at a Glance 2014 Highlights: GREECE The crisis and its aftermath



Economic output in Greece is now projected to recover gradually, but GDP, employment and incomes all remain far below pre-crisis levels.

The social protection system was ill-prepared for the social crisis that resulted from more than five years of severe economic decline.

As Greece invests in better and more cost-effective social support measures, a first priority is to ensure basic support for the most disadvantaged.

Urgent reforms needed to improve social protection

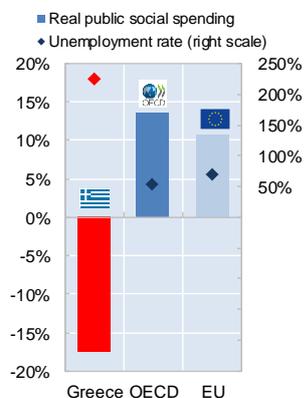
Total household income in Greece dropped by 1/3 between 2007 and 2012, with average losses of some 4 400 euros per person. This is the biggest fall in the OECD and four times as big as the loss recorded in the average Eurozone country. Income losses reflect the unprecedented deterioration of labour-market conditions across large parts of the population, and particularly among youth. At 49%, the share of working-age people in employment is the fourth-lowest among 34 OECD countries (the OECD average is 65%). Between 2008 and 2013, unemployment swelled at a rate of 3 800 per week and 60% of the 1.4 million jobseekers are long-term unemployed.

The social protection system in Greece was ill-prepared for the economic and social crisis. Before the crisis, Greece devoted nearly 30% of government outlays to social transfers, but much of this spending went to relatively well-off households. Since 2007/8, total spending on social protection and health fell by some 18% in real terms, compared to a 14% real-term increase in the average OECD country.

Despite the enormous increase in the need for public assistance, support for the poorest families has remained weak, reflecting the difficulties of quickly introducing effective social policies from scratch.

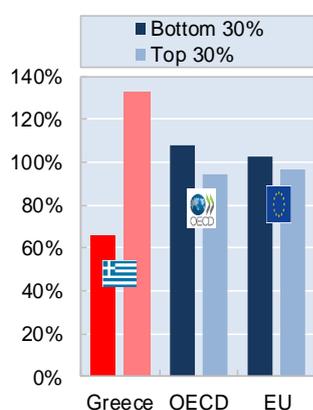
After more than five years of severe economic decline, Greece remains one of only two EU countries without a nationwide minimum-income benefit (the other one is Italy). 'Active' employment support for jobseekers and low-income workers also remains limited, with overall spending a fraction of that in a typical OECD country, despite much higher unemployment.

% change in real public social spending and unemployment rate between 2007/08 and 2012/13 (%)



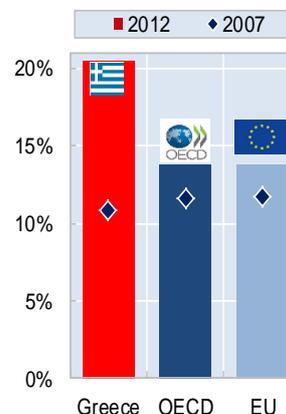
[Figure 1.10.xls]

Cash transfers received by low- and high-income groups, percentage of average transfers in 2010



[Figure 1.18.xls]

Shares of adults living in workless households, %



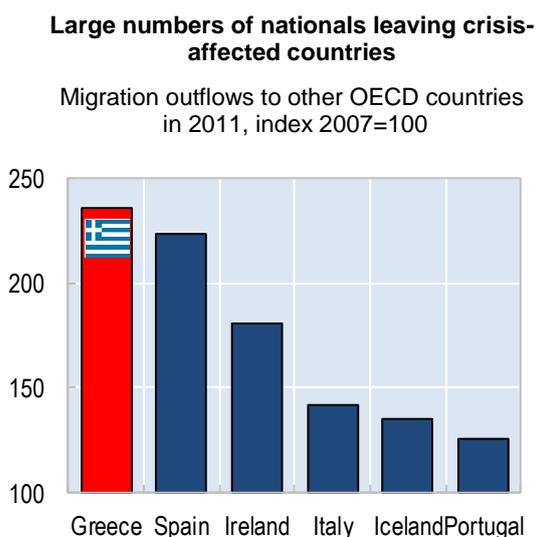
[Figure 1.5.xls]

Symptoms of a social crisis

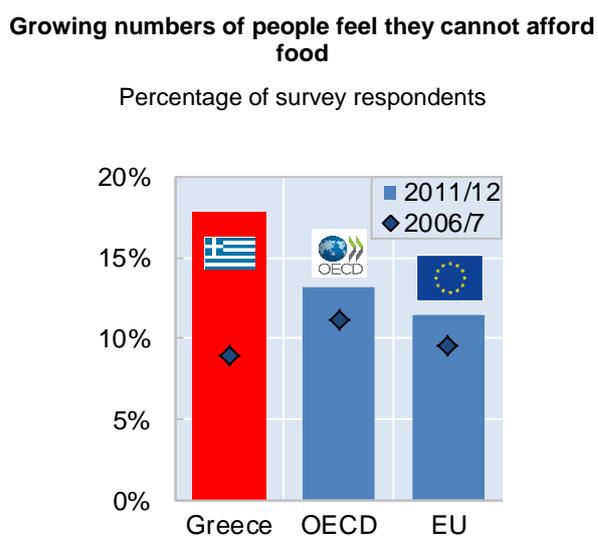
Economic output, employment and incomes all remain far below pre-crisis levels. GDP is now projected to recover gradually but employment plunged by almost 1 million (or 20%) since 2008 and unemployment remains high. At the same time, falling wages have compounded household income losses. The drop in real wages was the largest in the OECD, but the resulting reduction in labour costs has so far not reversed the 5-year-long decline in employment levels.

The consequences of these labour-market difficulties have been felt strongly. The number of “jobless” families has nearly doubled since 2012 as many as 1 in 5 Greek working-age adults now live in a household where nobody works.

A range of indicators point to households’ growing difficulties in meeting basic needs. The share of people saying that they cannot afford food has doubled, putting this subjective measure of economic distress at a higher level than in some emerging economies with much lower per-capita income, such as China or Brazil. Emigration to other OECD countries has doubled too. Young people in particular have been emigrating in increasing numbers, reducing potential future economic growth and further accelerating population ageing.



[Figure 3.6.xls]



[Figure 1.7.xls]

Economic recovery alone will not undo damage of a deep and long crisis

Economic recovery, even once firmly established, should not be expected to quickly put an end to the social and labour-market crisis.

To prevent economic difficulties from becoming entrenched, Greece now needs to invest in better and more cost-effective social support measures, while pushing on with structural reforms to reduce spending on poorly targeted programmes.

A first priority is to ensure basic support for the most disadvantaged groups. Safety-net benefits for the long-term unemployed and poor working-age families have been on the policy agenda for some time, and resources were set aside for a social-assistance pilot programme to commence in 2014. Efforts should be intensified to make targeted support accessible for vulnerable households across the country. In addition to the necessary legal framework, this requires ensuring the necessary administrative and delivery capacity. For some types of support, self-targeting mechanisms (e.g., work requirements in combination with temporary public work programmes) or harnessing the capacity of existing institutions (e.g., schools providing children with subsidised meals) can be quicker and more cost effective than creating new administrative structures.

Second, access to healthcare and to employment support and retraining, should be safeguarded and extended especially for disadvantaged groups. For some services, good targeting could be achieved by integrating them with cash assistance programmes once these are operational. For instance, access to available childcare places can be prioritised for those moving from out-of-work benefits to a new job. As labour markets recover and the capacity for providing employment support is extended, out-of-work benefits can be made increasingly conditional on active participation in job-search and reemployment measures, such as training.

Scoreboard: selected social indicators
(Click on indicators for full data and information)

	Pre-crisis			Latest year		
	Greece	EU	OECD	Greece	EU	OECD
Annual disposable household income						
in national currency, latest year prices						
Average	15 700	..	..	13 800	..	..
Bottom 10%	4 100	..	..	3 200	..	..
in USD, latest year PPPs and prices						
Average	20 100	22 900	23 100	17 800	22 900	23 100
Bottom 10%	5 300	7 900	7 300	4 100	7 700	7 100
Total Fertility rate	1.51	1.63	1.75	1.42	1.59	1.70
Unemployment rate (%)	8.5	6.6	5.9	27.9	11.1	9.1
Youth neither in employment, education nor training, NEET rate (%)	17.7	10.7	11.5	27.4	12.7	12.6
Income inequality:						
Gini coefficient	0.330	0.288	0.313	0.337	0.291	0.313
Gap between richest and poorest 10%	9.5	6.9	9.2	10.8	7.4	9.5
Relative poverty (%)	13.9	9.2	11.2	14.3	9.4	11.3
Share of people reporting not enough money to buy food (%)	8.9	9.5	11.2	17.9	11.5	13.2
Public social spending (% GDP)	21.9	22.5	19.6	23.1	25.1	21.9
Suicide rates, per 100 000 population	2.8	12.5	12.5	3.1	12.2	12.4
Health expenditure per capita (latest year USD PPPs)	3 000	3 100	3 100	2 400	3 200	3 300
Confidence in national government (%)	41	50	49	14	41	43
Confidence in financial institutions (%)	36	65	63	14	43	46

Unweighted average of the 21 EU and 34 OECD countries.

[from OECD Employment database](#)

[from OECD Income Distribution Database](#)

[from OECD Social Expenditure Database \(SOEX\)](#)

[from OECD Health Data](#)

See also:

- How does your country compare: [data visualization](#)
- Executive summary: in your [language](#)

