Policies for the elimination of extreme Poverty in Greece of multiple crises: The case of the Guaranteed Minimum Income

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In contrast to the fast-growing international literature focusing on the impact of Income Schemes (MIS) in alleviating poverty, only a few efforts have been made to assess the effectiveness of the Guaranteed Minimum Income (GMI) in Greece. They mostly focus on the first years of its implementation and converge on the fact that it has a very limited impact on poverty reduction.

The present research seeks to add to this literature gap by offering a more updated evaluation of the Greek GMI that covers the entire period of its nationwide operation (2017 to date). The core focus lies on the impact of GMI to the fight against extreme poverty, as it is the most emblematic state intervention in this field, with respect to three main dimensions: (i) adequacy, i.e. the generosity of the level of support provided to beneficiaries (ii) coverage, i.e. the extent to which reach people in need and (iii) its enabling character i.e. the extent that includes the delivery of inclusive labor market (LM) policies and access to high-quality social inclusion services.

To achieve this goal, a mixed methodological approach was chosen that combines the descriptive use of available primary and secondary quantitative sources with the collection of primary qualitative data. As regards the former, apart from reviewing existing evaluation studies, data were drawn from EU SILC database, to show the extent and evolution of extreme poverty in Greece from the period of generalized implementation of the GMI until today. In addition, administrative data was collected by government agencies on some crucial aspects of the GMI implementation, such as the budget devoted to the scheme, organizational aspects, the number of beneficiaries was obtained and processed, etc.

As regards the latter, a total of 21 semi-structured interviews were conducted with executives of the Ministry of Labor and Social Affairs (central level) and with representatives of municipal Community Centers from the thirteen regions of Greece (local level). The selection of informants was based on the snowball technique during the progress of the field research. The interviews were conducted between January and April 2023 in person in the Attica Region and via tele-conference in the remaining twelve Regions.

The study finds that, despite the positive progress in standardizing criteria and mechanisms of social intervention for extreme poverty at the national level, the Guaranteed Minimum Income (GMI) still lacks significant social impact. First, it has a very limited impact on extreme poverty reduction. The income support is well below the extreme poverty line (40% of median income) and remains static since its inception in a dynamic environment of multiple crises and worsening living standards of citizens. The eligibility criteria are characterized by ambiguity, distortions, and limited coverage of only a part of the increasing extreme poor population. As regards its enabling character, access to social services is characterized by the existence of multiple and significant disparities among municipalities. The lack of an integrated mapping of social interventions provided at the national level is catalyst for the inability to effectively support the first pillar with accompanying activation services. Even existing social support actions are characterized by fragmentation, lack of systematicity, and ultimately social inadequacy. Finally, activation measures seem to have not yet been placed within a basic operational framework and the labor market integration of GMI beneficiaries has not been promoted so far. Structural problems of unemployment that afflict the general population, multiple dysfunctions in the cooperation between GMI and the Public Employment Service, as well as the inability to develop individualized employment actions for GMI beneficiaries by community center staff, undermine to a great extent its enabling character.

Research results corroborate theoretical claims and empirical findings. Yet, they add to previews research findings by highlighting new dimensions regarding the social impact of GMI in an environment of multiple crises. Further future research, including the perspective of GMI beneficiaries, is expected to provide a more holistic understanding of its social impact, after six years of full implementation.