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The contorted politics of guaranteed minimum income in Greece

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Abstract

On 1 February 2017, Greece officially started to implement a guaranteed minimum income programme at national scale. In doing so, it preceded Italy, which introduced a categorical minimum income scheme in 2018, and joined Portugal, which adopted a nationwide guaranteed minimum income programme in 1996, and Spain, where well-established but geographically fragmented schemes have existed since 1988. The paper analyses the contorted politics of guaranteed minimum income in Greece relying on interviews, press reports, and official documents. It shows how its introduction took place against the indifference or active opposition of key domestic actors, and how external actors (the EU, the IMF, the World Bank) played a key role in arguing for guaranteed minimum income, imposing legislative changes to make it happen, and providing technical assistance to the Greek government and public administration. The paper also points out that the active promotion of the programme on the part of the EU-ECB-IMF Troika stands in stark contrast to developments in other countries of the European periphery also affected by the Eurozone crisis (e.g. in Portugal).

Keywords

Social safety nets, Minimum income programmes, Greece, Southern Europe, IMF-EU-ECB Troika

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Introduction

Until recently, Greece held the unenviable position of being the one EU member state where progress towards meeting the requirements of Council Recommendation 92/441/EEC of 24 June 1992 ('on common criteria concerning sufficient resources and social assistance in social protection systems') had been most limited, whether at national or at local level.

On 1 February 2017, Greece introduced a nationwide guaranteed minimum income scheme (under the name of Social Solidarity Income). In doing so, it preceded Italy, which introduced a categorical minimum income scheme in 2018 (Gori 2017), and joined Portugal, which adopted a nationwide guaranteed minimum income programme in 1996, and Spain, where well-established but geographically fragmented schemes have existed since 1988 (Ferrera 2005).

The paper analyses the contorted politics of guaranteed minimum income in Greece. It relies on interviews, press reports, and official documents, in the tradition of 'process tracing' (Trampusch & Palier 2016). It explains how the programme was established against the indifference or active opposition of key domestic actors, and how external actors (the European Commission, the International Monetary Fund, the World Bank) played a key role in arguing for guaranteed minimum income, imposing legislative changes to make it happen, and providing technical assistance to the Greek government and public administration. Moreover, it shows how the active promotion of the programme on the part of the EU-ECB-IMF Troika stands in such stark contrast to developments in other countries of the European periphery also affected by the Eurozone crisis (e.g. in Portugal).

Prelude (2000-2009)

The modern history of attempts to introduce a guaranteed minimum income scheme in Greece began in 2000, when the socialist government of Costas Simitis assessed then rejected a proposal in favour of that option. Three years later, the left-wing newspaper *Αυγή* featured a number of interviews with social and political actors on guaranteed minimum income. Their responses revealed that cleavages cut across political lines: political parties and labour unions seemed divided on the issue, with detractors outnumbering supporters. In 2005, the radical left party SYRIZA, then still a marginal political force, its share of the vote hovering just above the 3 per cent threshold required for entering parliament, presented a legislative proposal for the introduction of a guaranteed minimum income (defeated as conservatives and socialists voted against).

Austerity (2010-2014)

The onset of the crisis exposed the serious gaps in Greece's social safety net (Matsaganis 2014) and renewed interest in minimum income (mostly on the part of external actors). In May 2010, the Memorandum of Understanding committing the Greek government to austerity measures and policy reforms in exchange of the bailout loan listed the provision to 'Review the scope for improvements in the targeting of social expenditures to enhance the social safety net for the most vulnerable' (IMF 2010, pp. 13, 37). In March 2012, the IMF strongly advocated a broad-based minimum income scheme as part of a strategy aimed to streamline social assistance (and reduce its cost):

> *'Non-pension social benefits are complex, unequally distributed (e.g. depending on the fund), and poorly targeted (e.g., 60 percent of family benefits go to the top 40 percent of the income distribution). Moreover, internal devaluation will put pressure on the sustainability of fixed social benefits (which would rise in real terms). Left unreformed, social benefit settings could also contribute to high reservation wages, frustrating efforts to move workers out of unemployment spells. In this context, the authorities are to identify 1–2 percent of GDP in additional savings, with the focus on discontinuing non-essential programs and improving the targeting of core programs. The largest potential savings would be possible through replacing most existing programs with a single, income-tested minimum income scheme targeted at the bottom 20 percent of the income distribution (with presumptive income also used to control for evasion). Some savings from the reforms—targeted at ½-1 percent of GDP—would be reinvested in strengthening core programs (for instance unemployment benefits) to protect the most vulnerable.' (IMF 2012, pp.19-20)*

In April 2012, a review of social welfare programmes by the Organisation for Economic Co-operation and Development reached the opposite conclusion[1], arguing against a guaranteed minimum income in preference of piecemeal changes consolidating and means-testing existing programmes (OECD 2013, p.64).

In the run up to the general election of June 2012, the SYRIZA manifesto included a pledge to use EU structural funds to finance a special programme against extreme poverty through the introduction of a 'guaranteed minimum standard of living'. In November 2012 the conservative-socialist coalition government enshrined in law the Medium Term Fiscal Strategy 2013-2014, providing – and setting aside the sum of €20 million – for a guaranteed minimum income experiment in (originally) two local areas.

Guaranteed Social Income pilot (November 2014 – May 2015)

The minimum income pilot was eventually launched in November 2014, under the name Guaranteed Social Income, in thirteen municipalities (i.e. one in each region). Technical assistance was provided by the World Bank with the support of the Athens-based European Commission Task Force for Greece. The scheme was jointly administered by three Ministries (Labour, Interior, and Finance), and essentially took the form of a cash transfer paid via the tax system to families with very low income, with no 'activation' measures attached.

The total number of recipients reached 18,690 households with approximately 30,000 individuals (6.1 per cent of the population of the thirteen municipalities selected for the pilot). The average cash transfer was €220 per month per participating household. On the whole, the pilot ran for six months, with the last instalment of income support under the scheme paid to recipients seven months after its formal end in December 2015 (Lalioti 2016).

Implementation was rather haphazard to start with, and was further disrupted by the January 2015 general election and the resulting change in government. Central government proved unwilling as well as unable to provide much logistical support let alone leadership to the pilot

[1] More recently, the OECD seems to have performed an about turn on the issue. Among the 'key recommendations' of its latest economic survey of Greece for 'making growth more inclusive' was "Implement the guaranteed minimum income, and introduce a targeted school meal program and a housing assistance program targeted at the poor" (OECD 2016, p. 11).

municipalities. The latter lacked the resources to tackle the task effectively at local level, but at least mayors were favourably disposed to the prospect of nationally-funded, locally-delivered income support (and to the political benefits of being seen by local electorates as doing something for the local poor).

On the other hand, public administration at ministry level was ambivalent vis-à-vis minimum income, with attitudes of individual civil servants ranging widely. At one end of the spectrum, many were suspicious, if not openly hostile, to a policy that smacked of externally-imposed 'structural reform' in the context of harsh austerity by foreign actors: the hated Troika, but also the World Bank, or the Task Force (whose staff actually included many Greeks working for the European Commission). Others were simply weary at yet another task thrown at them at a time of personnel shortages and demands to do more for less. At the other end, a smaller number of ministry employees reacted conscientiously, even enthusiastically, to the opportunity to learn from international experience (and actually make a real contribution to alleviating the social impact of austerity and the recession). As for their political masters (the conservative minister and his socialist deputy, and assorted general secretaries), they showed little interest in minimum income almost until the launch of the pilot.

Nevertheless, the Guaranteed Social Income pilot was an important moment in Greece's transition from what Gough (1996) had described as a 'rudimentary social assistance regime' to a modern guaranteed minimum income programme. To start with, Guaranteed Social Income established the principle of non-categorical income support, still a rather novel concept in the country's social administration. Equally innovative were the rules for the selection of applicants, including open enrolment within a 6-month window, and targeting based on a test of assets as well as incomes. Moreover, the pilot enabled the authorities to test programme features, to identify areas of concern, to evaluate the whole experience and, in the light of that, to redesign rules and procedures. Finally, the pilot marked the beginning of a new era for the Ministry of Labour: until then it had tended to see its role in a legalistic manner (setting programme rules and overseeing compliance), while from then on it assumed direct responsibility for the actual implementation of the new scheme.

On launching the 2014 pilot, the then government had announced its commitment to rolling the scheme out nationally in 2015 'if adequate funding is available'. As it happened, the change in government put a temporary halt to plans to expand the scheme.

A naïve observer unacquainted with the subtleties of Greek politics might have expected the radical left party SYRIZA, in opposition at the time, to exploit the previous government's inaction in the face of the social emergency and to press for faster implementation of a more generous version of minimum income. That, after all, would have been consistent with the party's earlier commitment to minimum income (see the 2005 legislative proposal and the 2012 election pledge discussed above), as well as its 'humanitarian crisis' rhetoric (the anti-austerity bloc's preferred term for describing the social situation in Greece).

But our naïve observer would be in for something of a shock. In fact, the party reacted furiously to the launch of the Guaranteed Social Income pilot in October 2014, effectively accusing the then government of adding the insult of pittances as social assistance to the injury of the country's 'humanitarian crisis'. As the SYRIZA spokesman on labour issues put it at the time:

> *'The guaranteed minimum income triumphantly announced today by [the government], in view of the [low] benefit level and extremely severe eligibility conditions, as well as the very limited public resources set aside for it, will concern a very small fraction of the*

6.3 million citizens at risk of poverty or already below the poverty line[2]*. The government, having first impoverished the people with its austerity policies to the point of economic and social immiseration, comes after the fact to treat a few of the countless wounds left behind by extreme poverty, which [the government] has caused and continues to cause.' (Dimitris Stratoulis, press statement, 14 October 2014)*

'Dignity' (2015)

For some time after the January 2015 general election, the future of minimum income in Greece looked bleak. The new government, a coalition of the radical left SYRIZA with the nationalist right ANEL parties, resisted pressure from the European Commission and the IMF to 'rollout' the minimum income experiment nationwide from the local areas it was being piloted in.

Meanwhile, the government's much-awaited social programme proved to be something of an anticlimax. Legislation on 'immediate measures to fight the humanitarian crisis' actually boiled down to three income- and asset-tested schemes: free provision of electricity up to 300 kWh per month to poor families (including those that had their homes disconnected because of unpaid bills); a rent subsidy paid directly to home owners on behalf of their tenants; and a smart card to purchase food, redeemable at super markets and other shops. The sum of €200 million was set aside to pay for these three policies in 2015. The actual cost of the two cash benefits (food card and rent subsidy) turned out to be €108 million (0.06 per cent of GDP) in 2015, and €251 million (0.14 per cent of GDP) in 2016. The previous government's discretionary measures, rightly criticized as inadequate, had cost a lot more: €654 million (0.36 per cent of GDP) in 2013 and €1,135 million (0.64 per cent of GDP) in 2014[3].

Having climbed to power promising 'dignity' and an end to austerity, SYRIZA and its allies on the nationalist right spent several months negotiating with the country's lenders. The new government effectively demanded debt relief plus a new loan with no strings attached. The IMF and the European Union offered instead to extend the previous programme on improved terms (as far as the fiscal targets are concerned). Matters came to a head in late June 2015, as it became obvious that without a deal Greece would very soon be unable to service its debt and hence risk a default, the most likely consequence of that being exit from the Eurozone (and, possibly, the European Union as well). As the country plunged into political uncertainty, the economy dipped back into recession, reversing the timid recovery of 2014 (the first time it posted positive growth rates after six long years).

In the meantime, the country's new leaders revealed their thinking on social policy. In February 2015, the Minister of Finance presented Eurogroup with a list of reforms which included the following pledge:

'Establish a closer link between pension contributions and income, streamline benefits, strengthen incentives to declare paid work, and provide targeted assistance to employees between 50 and 65, including through a Guaranteed Basic Income scheme, so as to eliminate the social and political pressure for early retirement which over-burdens

[2] Note that 6.3 million persons would be nearly 60 per cent of population.
[3] Specifically, single child benefit had cost €591.0 million in 2013 and €639.4 million in 2014, social dividend €447.0 million in 2014, unemployment assistance under extended eligibility rules €55.1 million in 2013 and €47.5 million in 2014, and unemployment insurance for the self-employed €7.6 million in 2013 and €1.1 million in 2014.

the pension funds.' (Letter of Minister of Finance Yanis Varoufakis to the President of the Eurogroup, 23 February 2015.)

The reluctance to endorse minimum income was even more marked among those charged with tackling Greece's 'humanitarian crisis'. In May 2015, the Deputy Minister of Labour, Social Insurance and Social Solidarity (as the ministry was renamed), prompted by a question tabled by her socialist predecessor, informed parliament on progress under the Guaranteed Social Income pilot. In her response, the deputy minister made the following main points: minimum income was imposed on Greece under the bailout plan; it is a well known 'IMF recipe' ('introduced in all countries calling for the Fund's assistance'); the Greek scheme was designed by the World Bank, at the cost of €2 million (out of €20 million set aside for the pilot); the scheme's cost would be greater than anticipated; evaluation by the World Bank (in 5 out of 13 municipalities) was late and as yet inadequate, so an extension had to be granted; as for the Ministry's own evaluation, it pointed to severe administrative problems.

'Implementation is weak because legislation [i.e. the joint ministerial decision of 7 November 2014] is unclear and problematic, and as a consequence the project team [i.e. at Ministry level] is not in a position to interpret problematic clauses, the operational capacity and preparedness of the agencies involved is very weak, municipal services are understaffed, especially as regards social workers, the public services involved are not linked up, information services are not up to the task, and so on.' (Response of Deputy Minister of Labour, Social Insurance and Social Solidarity Theano Fotiou to a question by Vasilios Kegheroglou MP on 'the degradation of guaranteed minimum income'. Parliament Proceedings, 21 May 2015)

The deputy minister's deep suspicion showed up in appearances in TV shows, where she complained of 'insufferable' EU/IMF pressure to extend the MI pilot nationwide' and argued that the introduction of guaranteed minimum income in Africa on the advice of IMF has been 'disastrous'. The same hostility, equally shared by her colleagues at the ministry[4], transpired in newspaper interviews and reports. Here is an example:

'Theano Fotiou, deputy minister for social solidarity, having clarified that the government does not rule out that the pilot scheme might continue in some form, stresses that guaranteed minimum income is not by definition a good policy. Especially in a high-unemployment country, like Greece, high tax- and contribution evasion, and uncontrolled informal employment, the implementation of a guaranteed minimum income could act as a mechanism for the perpetuation of this situation and for the entrapment of society in poverty.' (Kathimerini, 3 May 2015)

The Greek government's distinct lack of enthusiasm for a serious anti-poverty policy effort, in stark contrast to its determination to fight tooth and nail in order to preserve the privileges of favourite constituencies, was not lost on EU leaders (nor the IMF), who saw the political opportunity to appear as champions of the country's poor and pressed for advantage.

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[4] 'According to Rania Antonopoulou, deputy minister for fighting unemployment, the government faces a political choice of crucial importance. The solution for more than 200,000 working families below the poverty threshold, and also for over 350,000 jobless families, is not to pay them some amount under the guaranteed minimum income. The solution is either an income guarantee set at a level capable of assuring life in dignity (by restoring the minimum wage to its pre-crisis level, and by strengthening collective bargaining) or a work guarantee (through a public works programme).' ('How the guaranteed minimum income can become a poverty trap'. Kathimerini, 3 May 2015)

The policy commitments demanded by Greece's creditors in June 2015 featured prominently a set of measures for 'tackling the social crisis and strengthening fairness across society', including 'the gradual roll-out of a Guaranteed Minimum Income (GMI) scheme in January 2016', in the context of a redesigned 'targeted welfare system':

> *'Tackling the social crisis and strengthening fairness across society. The authorities will take measures to alleviate the impact of the economic crisis on the most vulnerable and will improve the social safety net. They commit to launch a comprehensive Social Welfare Review, including family and disability benefits, with the assistance of the World Bank, to be completed by October 2015, targeted to generate savings of ½ percent of GDP annually which will serve as the basis for the redesign of a targeted welfare system including the gradual roll-out of a Guaranteed Minimum Income (GMI) scheme in January 2016. They will take measures to boost employment through a 50,000 person social works scheme and active labour market measures with particular attention to youths, women, the elderly and the long-term unemployed.' (5-page document titled 'Greece – policy commitments', leaked to the Press 4 June 2015)*

After the ignominious end of the government's confrontation with the EU, the ECB and the IMF, the Memorandum of Understanding signed in August 2015 stipulated that financial aid to Greece would be conditional to the government introducing a nationwide minimum income scheme.

> *'A fairer society will require that Greece improves the design of its welfare system, so that there is a genuine social safety net which targets scarce resources at those in most need. The authorities plan to benefit from available technical assistance for the social welfare review and for the GMI implementation from international organisations.*
> *(i) The government commits as a prior action to agree the terms of reference and launch a comprehensive Social Welfare Review, including both cash and in-kind benefits, tax benefits, social security and other social benefits, across the general government, with the assistance of the World Bank, with first operational results to be completed by December 2015, targeted to generate savings of ½ percent of GDP annually which will serve as the basis for the redesign of a targeted welfare system, including the fiscally-neutral gradual national roll-out of the GMI. The overall design of the GMI will also be agreed with the institutions.*
> *(ii) The Authorities by September 2015 will set out their detailed preparations for a gradual nationwide roll-out of a Guaranteed Minimum Income (GMI) scheme from 1 April 2016, including for the set up of a benefits registry and a strategy to ensure the inclusion of vulnerable groups and to avoid fraud. Close linkages with municipalities and employment services will be established.*
> *(iii) By January 2016, the authorities will propose and legislate reforms to welfare benefits and decide on the benefit rates of the initial GMI rollout in agreement with the institutions. The design of the GMI will be closely based upon the parameters of the pilot schemes after the evaluation of the World Bank, with potential additional targeting of priority needs in the short-term in order to meet budgetary constraints.*
> *(iv) By September 2016, the authorities will establish an institutional benefits framework to manage, monitor and control the GMI and other benefits. An evaluation of the performance of the GMI scheme will take place, with the objective of a full national rollout (key deliverable) by the end 2016.'*
> *(Greece: Memorandum of Understanding, 19 August 2015, p. 17.)*

Social Solidarity Income phase I (July 2016 – January 2017)

In July 2016, a modified version of the Guaranteed Social Income programme piloted by the previous government in 2014-2015 was introduced in 30 municipalities under the name of Social Solidarity Income, as phase I of the nationwide rollout agreed in the Memorandum.

Phase I of Social Solidarity Income was larger scale and more accomplished than the Guaranteed Social Income pilot had been. Between them, the participating municipalities accounted for 15.1 per cent of the country's total population (relative to 5.6 per cent in 2014-2015). The total number of recipients was two-and-a-half times as great: 120,407 individuals in 48,112 households (7.4 per cent of the population of the thirty municipalities). Income thresholds and maximum level of cash benefit were left largely unchanged as in Guaranteed Social Income[5]. The average income transfer per receiving household was €253 per month (it had been €220 in the pilot). Phase I also ran for a six months, until the nationwide rollout was launched on 1 February 2017.

Implementation was significantly smoother. The platform developed at *ΗΔΙΚΑ* (the ministry's information centre) by a handful of motivated young employees was a radically improved version of the one used in the 2014-2015 pilot, and enabled staff at municipal services to cross-check claimants' applications with tax returns and other information lodged in official databases.

Some tinkering at the margins was visible in the new scheme's provisions as compared to those in the earlier pilot. In a partly unsuccessful attempt to deal with young persons in the parental home registering as 'guests' (and hence eligible for support when their personal incomes were below the threshold, irrespective of those of their parents), the claiming unit was redefined as household rather than family. To encourage participation by the technologically challenged, applications were received at Citizen Services Centres and at municipalities as well as online (the latter was the only channel for applications under the Guaranteed Social Income pilot). Assessment of eligibility was based on self-reported incomes in the last six months (subject to cross-checks), rather than on tax returns reporting incomes earned over 18 months before as had been the case with the earlier pilot. The income transfer awarded was paid half in cash and half in a social card (as in the government's favourite 'measures to fight the humanitarian crisis', now phased out as Social Solidarity Income was phased in). On the whole, the changes indicated that a considerable amount of policy learning had taken place since the launch of the much maligned Guaranteed Social Income pilot in November 2014.

Meanwhile, as late as mid-September 2016, the government official charged with the implementation of the programme continued to insist that her favourite in-kind benefits (i.e. the food card and the rent allowance introduced in 2015 'to deal with the humanitarian crisis') were superior to the minimum income insisted upon by the lenders[6].

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5 The income threshold for eligibility remained €2,400 for a single person and €4,800 for a couple with two children per year. The assets threshold was left at €90,000 for a single person, but was raised to €135,000 for a couple with two children (it had been €125,000 in the 2014-2015 pilot). Income from disability benefits and 20 per cent of earnings from dependent employment were disregarded (just as they had been in the Guaranteed Social Income pilot).

6 In a rather curious statement, Theano Fotiou, deputy minister for social solidarity, argued that 'you needed a Harvard degree' to survive on a cash benefit of €200 a month (i.e. the minimum income threshold for a single person), while it was perfectly possible to do so on the government's in-kind benefits worth €150 a month (i.e. approximately the sum of rent benefit and food card, worth for a single person €70 each). Her remarks were reported in the communist party daily *Ριζοσπάστης* (15 September 2016).

Social Solidarity Income rollout (2017)

Without much fanfare or publicity, the Greek programme was eventually rolled out nationwide on 1 February 2017. Long disorderly queues of would-be applicants formed from early morning. Municipal social services were quickly overwhelmed. The central information system cracked under pressure, though it quickly recovered. The Mayor of Athens called for a moratorium on new applications to clear up the backlog. The flow of applications gradually stabilised at approximately 6,000 per week.

The government expected the number of recipients gradually to reach 700,000 persons in 280,000 households (6.5 per cent of population), and set aside €760 million per year (0.4 per cent of GDP) to meet the cost. In June 2018, the number of participating households was 279,889 and monthly expenditure €62 million, both very much in line with the official forecast.

Programme rules were mostly the same as in phase I[7], which as explained earlier had been mostly the same as in the 2014-2015 pilot. Otherwise, notwithstanding the efforts of the current government to stress the discontinuity between Social Solidarity Income and Guaranteed Social Income, the similarities of two programmes were glaring.

At the time of writing, the neglect of 'activation' continued to be the more unfortunate aspect of continuity with the traditional approach of social administration in Greece. Social Solidarity Income, just like Guaranteed Social Income before it, was arguably no real guaranteed minimum income scheme at all, as it amounted to a pure income support. The pledge to be available for work was solemnly demanded of recipients, but remained dead letter because of abysmally low capacity and no interest on the part of the Public Employment Service *ΟΑΕΔ*. Anaemic labour demand certainly played a part, but that hardly prevented *ΟΑΕΔ* from simply designating minimum income recipients a priority group for access to public works, vocational training, and other active labour market programmes (usually financed by the European Social Fund).

While progress with 'pillar 3' (reintegrating able recipients to the labour market) was grindingly slow, attempts at least to develop 'pillar 2' (linking income support to complementary services) were equally frustrating, even more inexplicably so. Cooperation with other ministries (health, education) proved difficult, as officials and bureaucrats remained averse to anything that implied extra effort on their part. The only exceptions so far to that pattern were the automatic eligibility of minimum income recipients for the inexpensive provision of domestic water (under the public water agency's 'social tariff'), and for food delivered in kind under a scheme supported by the Fund for European Aid to the Most Deprived (FEAD), widely seen as well intentioned yet wasteful, inefficient and highly stigmatizing. Moreover, recent provisions for the uninsured and indigent have resulted in the coverage of virtually all minimum income beneficiaries for essential medical care. Community Centres, to be introduced with EU funding and support in a large number of local

[7] The key differences of the nationwide rollout relative to phase I were as follows: (i) the maximum amount of benefit was set at €900 per month, irrespective of household size; (ii) the minimum amount of benefit paid was €10 per month (down from €20 per month); (iii) the maximum allowable household income was set at €5,400 over the six-month reference period (i.e. €900 per month), irrespective of household size; (iv) the maximum allowable level of savings was four times as large as the minimum income guaranteed (up from twice as large); (v) the maximum allowable level of housing assets was set at €150,000 (down from €200,000), irrespective of household size; (vi) the earnings disregard, generally 20 per cent, was raised to 100 per cent for the first month from taking up a new job and 40 per cent for the next two months. Also, a more minor difference was that entitlements below €100 were paid in cash (rather than half in cash and half as credits in a 'social card' as was previously the case).

areas from 2018, can be reasonably expected to streamline the claiming process, but cannot on its own address the issue of linking up income support with social and employment services.

The Greek government's failure to combine cash assistance under Social Solidarity Income with social services and activation programmes had far-reaching implications. On the one hand, it failed to meet recipients' need for basic education, adequate housing, as well as better skills. On the other hand, the obligation to take part in reintegration activities can act as an effective screening device, discouraging individuals with jobs in the informal economy but low or zero reported incomes from applying. Allowing this screening device to atrophy raised the risk of targeting errors in the form of 'false positives' (granting assistance to households with higher but unreported incomes). The over-representation of recipients with zero incomes and no formal education indicates that this may be happening already.

As the political benefits of Social Solidarity Income dawned on the SYRIZA-led government, attitudes began to shift. Erstwhile implacable opponents of minimum income were well on course to completing the transition from outright hostility to credit claiming. In a typical U-turn, barely ten months after her dismissal of Social Solidarity Income phase I then implemented by her own government in 30 municipalities, the deputy minister for social solidarity had this to say in an interview published on 30 July 2017:

> *'Social Solidarity Income is the backbone of the safety net that is being created to protect our fellow citizens who have been hit most violently by the economic crisis.'* [8]

Meanwhile, opposition to the programme lingered among the government's left-wing critics[9].

Concluding remarks

The introduction on 1 February 2017 of a nationwide guaranteed minimum income scheme in Greece (under the name of Social Solidarity Income) is certainly a major policy development, and a long overdue addition to the country's social protection system. What it is not, in spite of appearances, is a triumph of welfare state building at times of adversity by a leftist government fighting hard to strengthen the social safety net against the country's creditors. Partly because it is not entirely correct to describe Greece's anti-austerity government as 'leftist' (as it actually includes as junior partner the nationalist right, while it excludes the communists, the socialists, and the rest of the centre-left diaspora). But also (and more to the point), because the current government's senior partner, the radical left SYRIZA, spent most of the last years opposing minimum income. Specifically, SYRIZA was dismissive of the scheme when in opposition, fought a

[8] See http://www.ert.gr/eidiseis/ellada/politiki /th-fotiou-anamorfosi-tou-kratous-pronias-os-telos-tou-2018/)

[9] For an example, see the interview of Christos Papatheodorou, respected professor of social policy at Panteion University of Athens, to the government's official news agency on 19 February 2017. The interviewer opens by pointing out that 'trade unions and left-wing critics see Guaranteed Minimum Income policies pushed by creditors as a threat that might constitute a race to the bottom', and asks whether 'Social Solidarity Income can be a helpful tool for poverty reduction in the country'. To that, the interview replies: 'Social Solidarity Income is a Guaranteed Minimum Income scheme that goes back to the main neoliberal idea of negative income tax described by Milton Friedman and supported by other neoliberal prominent theorists such as Friedrich Hayek. This measure has been imposed on Greece by memorandum agreements. […] What is more worrying is that the introduction of these policies leads to a shift of social policy's focus toward alleviation of poverty instead of promoting total social welfare. […] Overall, these policies lead to a systematic shift of the Greek social protection system towards a liberal one, where social protection targets almost exclusively those in severe deprivation through means tested policies.' (See http://www.greeknewsagenda.gr/index.php/interviews/rethinking-greece/6302-rethinking-greece-christos-papatheodorou)

rear guard battle against it when in power, and only relented when the bailout agreement of August 2015 made the nationwide 'rollout' of minimum income 'a prior action' (i.e. a condition for the disbursement of the next tranche of financial assistance to Greece).

In general, political leadership was conspicuous by its absence throughout the implementation of the programme. The previous government's indifference to minimum income was mirrored in the current government's initial hostility and subsequent resistance. The latter's conversion from opponent to champion of the programme was so late and half-hearted that it cannot be possibly seen as anything other than an exercise in political expediency.

Other political and social actors (including opposition parties, the unions, non-governmental organizations, and the Church), to the extent that they had formed an opinion on the subject at all, were equally suspicious and/or indifferent about minimum income.

In view of that, it is safe to assume that minimum income would have never come to Greece without external pressure. Political support for the programme mostly came from the European Commission and the International Monetary Fund. In particular, the explicit provision that financial aid to Greece would be conditional to the introduction of a nationwide minimum income programme, enshrined in the third Memorandum of Understanding (August 2015), ended resistance to the programme on the part of the Greek anti-austerity government[10].

The role of the World Bank was also of crucial importance. Its mission of Washington-based consultants and locally recruited staff provided technical advice, administrative backing, and intellectual drive. Since the onset of the global financial crisis, the World Bank had become closely involved in redesigning the social safety nets in Latvia, Romania and other former socialist countries. This activism reflected the conviction that 'the World Bank's central goal is and should be to reduce extreme poverty' (Clemens & Kremer 2016, p. 53). The provision of technical assistance to Greece was the first of its kind in an older member of the European Union. The World Bank later also supported minimum income policy in Italy.

Even so, the programme in Greece could not have taken off without the active support of pro-GMI enclaves within public administration. Central government provided local authorities with extensive guidance but no extra resources. Programme implementation effectively rested on the dedication of a small number of employees at ministry and municipal level. That a Greek minimum income programme exists at all is credit to their inventiveness and resilience.

In its first year of life, Social Solidarity Income mostly remained a cash benefit rather than a fully-fledged guaranteed minimum income scheme. While not entirely unprecedented, in comparative terms this was still a throwback to an earlier period, prior to 1988-1998 when modern minimum income programmes were introduced in southern Europe. Coupling income support with automatic eligibility for social services, and requiring that recipients participate in activation programmes, is crucial for ensuring the accurate selection of applicants, the reintegration of beneficiaries into the labour market, and ultimately the very survival of the scheme.

A number of questions are worthy of further investigation. The EU-ECB-IMF Troika is almost universally despised in the domestic political debate in Greece, but its role in making minimum income happen can only be described as decisive. In particular, the European Commission's

[10] In that sense, the introduction of minimum income runs counter to the view that in Greece 'conditionality is barely working' (Featherstone 2016, p. 48).

backing of minimum income revealed a sensitivity to social issues, not always evident (to put it mildly) in the bailout agreements it had helped draft, but in line with Council Recommendation 92/441/EEC of 24 June 1992 ('on common criteria concerning sufficient resources and social assistance in social protection systems').

On the contrary, IMF support, or acquiescence, looks more surprising, not just because of the Fund's image as a defender of economic orthodoxy[11], but also because its involvement (as part of another Troika) in the bailout programme of Portugal, where minimum income was seriously retrenched (eligibility conditions tightened, number of beneficiaries reduced, level of support significantly cut)[12]. The different treatment reserved to the two countries can only be explained by the fact that the IMF 'had always viewed social benefits in Portugal as too generous and one of the key drivers of Portugal's large fiscal deficit'[13]. In contrast, social safety nets in Greece had been so fragmented, wasteful and ineffective, that consolidating the various categorical schemes into a minimum income programme appeared to promise fiscal savings as well as improvements in social protection. The hypothesis that IMF support for a minimum income programme depends on its size being 'optimal' (not too large, not too small) is intriguing, but goes beyond the current paper and must be deferred for future research.

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[11] Kentikelenis et al. (2016) dismiss the thesis (promoted by the Fund itself) that IMF conditionality has in recent years been fundamentally transformed to incorporate broader social objectives, arguing that 'the IMF's pro-poor concerns are accorded, at best, secondary importance compared to macroeconomic targets' (p. 566).

[12] For an analysis of recent changes in the Portuguese minimum income programme and their effects, see Arnold & Rodrigues (2015, pp. 15-17).

[13] See Wagner & Zhou (2017, pp. 24-25). Interestingly, the independent evaluation of the IMF's social policies in seven advanced economies included Cyprus, Iceland, Ireland and Portugal but excluded Greece, except for the casual remark that 'the IMF team [in Cyprus] was keen to avoid the social fallout that was experienced earlier in Greece' (p. 9).

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