



LEVY INSTITUTE

**DIRECT JOB CREATION FOR TURBULENT TIMES IN
GREECE**

**OBSERVATORY OF ECONOMIC AND SOCIAL DEVELOPMENTS,
LABOUR INSTITUTE, GREEK GENERAL CONFEDERATION OF
LABOUR**

**(ΠΑΡΑΤΗΡΗΤΗΡΙΟ ΟΙΚΟΝΟΜΙΚΩΝ ΚΑΙ ΚΟΙΝΩΝΙΚΩΝ
ΕΞΕΛΙΞΕΩΝ, ΙΝΣΤΙΤΟΥΤΟ ΕΡΓΑΣΙΑΣ, ΓΣΕΕ)**

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November 2011

Annandale-on-Hudson, New York

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Acknowledgments

We would like to extend our gratitude to INE-GSEE for the interest in this report and the financial support that made it possible during such a tumultuous time in Greece. In particular, we wish to thank the Greek Team for background documents and support, notably Professor George Argitis, Vasilis Papadogabros and Yannis Dafermos. We are especially grateful to our research interns, Stergios Mentesisidis and Andreas Damaskos for their able assistance and interest in the project.

ACRONYMS

AΦM – Tax identification number (Greek)

BoG – Bank of Greece

CBPWP – Community based public works program

CTP – Professional Transition Contract (French)

CWA – Civil Works Administration (United States)

EA4 – Euro-area consisting of Portugal, Ireland, Greece and Spain (synonymous to PIGS).

EGP – Employment Guarantee Programs

EGS – Employment Guarantee Schemes

ELR – Employer of Last Resort

EPA – Temporary work agencies

E.P.AN.AD. – Monitoring Committee for "Development of Human Potential"

E.P.E.A.A. – Left Unitary intervention-independent Left Movement

EPWP – Expanded Public Works Programme

ESF – Emergency Social Fund

ΕΣΠΑ – National Strategic reference framework

EC – European Commission

ECB – European Central Bank

EU – European Union

GDP – Gross Domestic Product

IDRC – International Development Research Centre

IEK – Institution of Professional Training

IFPRI – International Food Policy Research Institute

IGSE – Private employment agencies

IIIE – International Initiative for Impact Evaluation

ILO – International Labour Organisation

ACRONYMS CONTINUED

IMF – International Monetary Fund

INE/GSEE – Labor Institute of the General Confederation of Workers of Greece

JCP – Job Creation Program

LAEK – Account for Employment and Vocational Training

LFS – Labor Force Survey

M&E – Monitoring and Evaluation

MIS – Management Information System

MLSG – Minimum Living Standard Guarantee

MxFLS – Mexican Family Life Survey

NGO – Non-Government Organization

NREGA – National Rural Employment Guarantee Act

OAED – Manpower Employment Organization

PWPs – Public Works Programmes

PWA – Public Works Administration (United States)

SAMs – Social Accounting Matrices

SFLCAs – Special firm- level collective agreements

SMEs – Small and Medium-sized Enterprises.

SNA – System of National Accounts

SOEs – State owned enterprises

TUS – Time Use Survey Data

VAT – Value-added tax

WPA – Works Progress Administration (United States)

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EXECUTIVE SUMMARY

This report was written in light of the unfolding economic catastrophe in Greece. The report traces economic trends preceding and surrounding the crisis, with particular emphasis on recent labor market trends and emerging gaps in social safety net coverage. As part of the response, Greece is now extending direct job creation programs.

Drawing on the extensive experience at the Levy Institute with such programs, this report speaks to the theoretical grounds and the practical implications of the design and monitoring of direct job creation programs. While a great deal of the report is focused on identifying the needs in Greece, broader lessons for direct job creation are highlighted and could be applied to countries entertaining targeted employment creation as a means to alleviate social strains during crisis periods.

Greece's inclusion in the euro was built, in part, on the strong growth that the country had enjoyed and its perceived compliance with the Maastricht Treaty criteria. From 2000 to 2007, average real GDP in Greece grew at an impressive 4.2 percent (versus 1.9 percent for the eurozone as a whole). The unemployment rate fell by nearly 3 percent over the same period, bringing Greece (at 8.3 percent) closer to the 2007 eurozone unemployment rate of 7.4 percent (Eurostat 2011).

Key to this growth was public sector spending and the employment that accompanied it. While many have focused on statistics that Greece

altered for qualification to the eurozone, the reality is that the government was a large driver of growth. In the absence of this driver, one should take pause over the private sector's ability to fill this void.

Despite the inclusion in the euro and apparent aggregate gains, the progress in Greece overshadowed large macroeconomic imbalances that now drive the current crisis. In addition to these macroeconomic problems were deep structural deficiencies in female and youth unemployment levels, and labor force entry problems for both groups.

Recently, Greece has swung rapidly from one of the stalwarts of growth to a public spending pariah within the eurozone. This rapid shift in sentiment opened the door for the IMF/EU/ECB "bailouts" of Greek debt, initially on the order of 110 billion euros in 2010, with a necessary second round forthcoming. Attached to the money are a host of austerity measures. Chief among these "corrections" are public expenditure cuts, increases in taxes and collection efforts, the encouragement of private savings, and privatization of state-owned enterprises (SOEs).

For a country with high levels of public employment and a growing (until recently) social, health, and education sector, the austerity measures have been met with strong yet predictable opposition. What we are beginning to see, however, is the actual economic fallout from such rampant funding and spending cuts.

Construction, real estate, and finance (including remittances) bore the brunt of initial layoffs in Greece, in part due to the headwinds of the global recession. Currently we are starting to see massive cuts, in accordance with austerity measures, in public sector jobs, education, and health and social care-related sectors. Retail and consumer-driven sectors are bearing the dual burden of a global demand shock and an induced domestic depression.

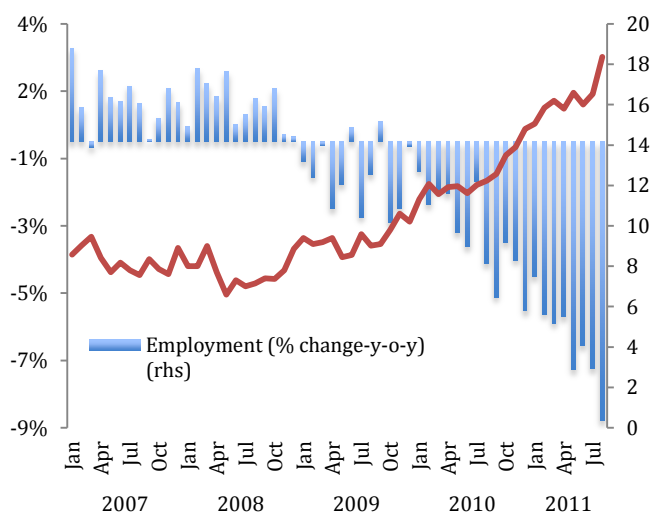
In the face of privatization, government contraction, and a rigid private sector that is unlikely to absorb both the jobless and new labor entrants, the range of policy responses requires expansion. To address the increasing vulnerability of households, funding mechanisms should target direct job creation to those hit hardest by the crisis. International experience has shown the efficacy of direct job creation in mitigating poverty and inequality during economic downturns.

Even in times of prosperity, such a program can deliver three objectives: (1) absorb willing and able labor; (2) provide much needed income support to the most vulnerable groups; and (3) stimulate effective demand from feedback loops.

Among the marginalized, there are some groups whose economic suffering is largely based on lack of employment opportunities. Ready, willing, and able to work, they simply cannot find a job. There is substantial debate as to why this is the case. In effect the reasons are multidimensional and they can be traced to specificities of sectoral growth patterns, dual labor market structures, low employment intensity of investment, integration difficulties of specific groups within the population, seasonal unemployment, and the precarious nature of self-employment (Islam 2006, Cornia 2004, Milanovic 2003).

Especially at times of crisis and economic instability—when faced with structural constraints and insufficient demand for labor—some groups end up socially marginalized as they are disproportionately excluded from productive remunerative employment. Regional asymmetries

Employment and Unemployment Rates



Source: *El.Stat*

Massive job loss thus far is only the first phase in an engineered and protracted recession for the Greek economy. The IMF/EU/ECB austerity measures are creating gaps in the social safety net, as government spending contracts in provisioning areas. Previous experiences in other nations have resoundingly demonstrated that, in such an environment, low income groups are hit disproportionately.

and gender biases further exacerbate their plight. In such instances, Employment Guarantee Programs (EGPs) represent a powerful policy intervention during expansions and contractions alike.

At the heart of such policies is an understanding that not all deficits are bad and not all debt is frivolous. Unless full employment is a key economic objective, there is no known automatic internal mechanism that creates jobs in numbers that match the number of people willing, able, and ready to work; therein lies the rationale of the government as an employer of last resort, which offers the theoretical underpinning for direct job creation programs (Minsky 1965, 1986).

Based on the recognition that unemployment, discouraged worker effects, and forced “inactivity” are recurrent problems of market economies in the global south and north alike, employer-of-last-resort (ELR) programs—a term coined by Hyman Minsky in the 1960s (Papadimitriou 1998; Wray 1998)—are unique countercyclical government initiatives that exhibit price stability and poverty alleviation dimensions (Forstater 1999). Although Minsky’s concept of an ELR implied that the program would expand to whatever size was required to achieve full employment during downturns, in practice many nations take far more limited and/or targeted approaches in the form of Employment Guarantee Programs (EGPs).

Many arguments can be made for EGPs from an economic standpoint, as unemployment results in permanent loss in potential output of goods and services, deterioration of labor skills and labor productivity, and acceptance of degrading work conditions. Many further justifications can be

made from a social cohesion standpoint or by raising the intrinsic value of a job. On all of these grounds, identifying program participants is crucial. Key to the success of such programs is both the target criteria for program inclusion and project design.

The first half of this report contextualizes the Greek case and surveys the labor market demographics in Greece with an emphasis on identifying the likely participants for a targeted direct employment creation program. The existing social safety net is also surveyed, with an emphasis on identifying both gaps and potential funding sources for an EGP intervention. Early analysis makes youths and women the likely target demographic for such an intervention.

There are important gender divisions to both participation rates and the socio-demographics of recent layoffs. The first round of market contraction was marked by a falloff in the male-dominated sectors of construction, real estate, and manufacturing. More recently, there was a rapid contraction in retail, education, and healthcare—all female-dominated sectors. In addition, the vast public sector contraction is hitting both sexes.

Perhaps most troubling is that after years of labor market absorption of new female workers, partially due to concerted efforts by the government to draw in women workers, the participation rate among 20- to 24-year-old women has recently fallen below 50 percent.

Youths present an equally compelling need for focused policy intervention. Despite efforts aimed at youth labor integration, in 2008 Greece still suffered youth unemployment rates 7 percent

above the OECD average, with long-term unemployment double the OECD rate. Furthermore, the youth labor force participation rate was 20 percent below the OECD average. To exacerbate this already tenuous connection to the labor market, most youths work in low paying jobs (two-thirds the median wage or less) and are over-represented in temporary employment (OECD 2011; EL-STAT 2011c).

Although Greece has introduced a host of reforms targeting female and youth employment (primarily through wage subsidies), most post-crisis interventions have been focused on employment preservation in the private sector (especially in male-dominated sectors, such as construction).

Underlying many of the interventions in Greece is an assumption that the private sector has the ability to absorb labor. But high barriers to foreign entry, highly regulated professional categories, and onerous regulations and bureaucratic hurdles faced by new businesses (IMF 2011; EC 2011) make this assumption overly optimistic in our analysis.

Direct employment creation is a preferable policy response to such blind faith in the private sector and to several other policies aimed at easing the plight of the unemployed in Greece. Most common among alternative options are the reduction of the workweek, which attempts to spread employment across more individuals, and employment subsidies.

Shortening the workweek has failed uniformly to generate employment in Europe (Papadimitriou 1998, 2008). The employment subsidy option has been experimented with and

proposed in Greece in various forms. Targeting such subsidies toward women and youths could aid in facilitating employment creation and labor market participation, but tends to distort market mechanisms.

International experience shows that, at times of deep crisis, few plans outside of direct job creation have the ability to expand the actual pool of employment beyond cursory levels. Add to this environment the host of recent labor law changes eroding worker's rights in the interest of flexible labor markets, and the traditional protections have started to crumble. Coupled with rapid contraction of the public sector, the need for social safety net provisions has grown as coverage shrinks.

An eroded social safety net makes the need for ELR timely, especially if targeted at care and child development activities, environmental cleanup, and fire protection. Previous experience shows that some of these jobs draw in predominantly female and youth labor and offer higher economic multipliers than traditional public work efforts aimed at infrastructure or large-scale environmental projects (Antonopoulos et. al. 2010).

To fend against the personal and economy-wide impacts of unemployment, the Greek Ministry of Labor has introduced a *Direct Public Service Job Creation Program* (hereafter referred to as JCP) with an initial target of providing 55,000 work opportunities to the unemployed in targeted segments of the population, effective immediately. Participants are entitled to up to five months of work per annum, at a minimum wage of 25 euros per day, in work projects that yield public benefits to their communities.

With this emphasis on projects that serve public and community wellbeing, possible examples include: environmental cleanup or restoration; social and health services; dealing with poverty; and social inclusion. The projects are to be implemented by NGOs that qualify as implementers only after meeting a series of criteria. More recently, a second and very similar program was announced from the Ministry of the Interior to cover as many as 120,000 openings in the months to come, with funds transferred directly to local municipalities in lieu of NGO involvement.

Overall this report aims to aid policy makers and planners in channeling program resources to: (1) the most deserving regions, households, and persons, and (2) data collection methodologies that will facilitate accurate and useful monitoring and evaluation systems. To this end, the report is a framework for decisions highlighting the importance of measuring *outputs* (achievement of key objectives) and *outcomes* (additional results beyond the immediate objectives) and the data necessary to conduct scientific evaluation of these end products.

Measuring progress in attaining the program's objectives depends on the definition of precise indicators of achievement that can be evaluated on the basis of data collected directly by program management, through national and regional statistics collected on an ongoing basis by government departments, or by surveys undertaken directly by personnel or institutions hired or contracted for this purpose. Whereas evaluators may use data collected by program management,

the evaluation process should be independent from program management as well as from those responsible for the design and formulation of the program. It is the design and implementation of evaluations that will occupy the focus of the next phase of this project. In defining indicators of achievement, care should be taken to ensure that the means of verification (i.e. the source of required information) exists or that arrangements are made for its collection. Data should be collected on the basis of simple questionnaires. Care will be taken not to "overdesign" the survey and collect data that will not be exploited.

Acknowledging that there is a "learning by doing" component to any project of this nature helps to underscore the need for strong investments in monitoring and evaluation. This investment must also extend to include the data collection instruments that strengthen said analysis. One of the challenges in creating specific instruments is the inevitable tradeoff between the necessary speed that the JCP program needs to come to fruition and the importance of in-depth capacity building for M&E and data collection. Unlike the STAGE program, however, the current efforts are already less vulnerable to the nepotism that plagued STAGE, as the selection criteria are clear and transparent in ranking each program participant. Furthermore, establishing task-centric programs offers benefits to communities over and above those of the "workfare" that characterized earlier programs. With proper selection criteria and care taken in designing monitoring means, the JCP can be honed to reflect the desired outputs and outcomes.

OVERVIEW OF NATIONAL CONTEXT

Greece is in the midst of a structural adjustment emanating from its most severe sovereign debt crisis. The 2010 decline of GDP was over 4.5 percent, and with highly restricted policy and fiscal space, projections into the future are disquieting (EL-STAT 2011d). Some announced projections of annual GDP for 2011 place its contraction at nearly 6 percent (Ernst and Young 2011). Negative social and economic trends are already in sight, with poverty, homelessness, and crime accelerating rapidly. Combined with dangerous ideological shifts, such trends threaten to wreak havoc, dismantle social cohesion, and destabilize the nation. While the course of policy action has been charted—for years ahead—with the very stringent austerity measures dictated by the EU/ECB/IMF, the resulting impact on unemployment is already alarming.

From June 2009 unemployed persons had increased a staggering 91.8 percent by mid-2011, with the overall unemployment rate passing 18.2 percent (EL-STAT 2011a). Regional unemployment rate variations paint a particularly grim picture, with 18.1 percent in Western Macedonia and Sterea Ellas passing 22 percent, compared to 9.5 percent in the South Aegean and 7.5 in the North Aegean. Important age and gender differences in the socio-demographics of recent layoffs can also be discerned (Antonopoulos, et. al. 2011). The first round of market contraction was marked by a falloff in the male-dominated sectors of construction, real estate, and manufacturing. Currently, there is a rapid contraction of retail, education, and healthcare—all female-dominated sectors. Total female unemployment in July 2011 stood at 20.3 percent, against 13.8 percent for males. Youth unemployment is particularly problematic (EL-STAT 2011b), with the 15- to 19-year-old unemployment rate topping 54 percent. The difference is of greater magnitude once disaggregated by gender. Among 20- to 24-year-old women, unemployment stood at 48.4 percent in March, as compared to 35.5 percent among men (Eurostat 2011).

Unemployment and associated income loss bring immediate and longer-term vulnerabilities and social ills that directly impact individuals, households, and communities. In addition, there are economy-wide contraction effects brought on by reduced demand for consumption, which in turn creates further job losses in sectors that produce consumer goods and services, creating a vicious spiral of downward pressures on the economy. At this juncture, it is well recognized that economic growth cannot be relied upon to absorb surplus labor that now stands at more than 820,000 workers. Furthermore, as the international experience shows, while other economic indicators make progress, employment recovers very slowly in a post-crisis recovery, with the lag ranging from 3 years—in the best-case scenario—to the economy permanently operating at below pre-crisis levels.

Greece's inclusion in the euro was built, in part, on the strong growth that the country had enjoyed in the years preceding the currency union. Even following euro adoption, Greece continued to outpace much of the growth in the EU (albeit to an inflated degree in hindsight). From 2000 to 2007, average real GDP in Greece grew at an impressive 4.2 percent (against 1.9 percent for the eurozone as a whole). The unemployment rate fell by nearly 3 percent over the same period, bringing Greece (at 8.3 percent) closer to the 2007 eurozone unemployment rate of 7.4 percent (Eurostat 2011). The debt-to-GDP ratio declined in Greece from 103.2 percent in 2000 to 94.8 percent in 2007, signaling apparent progress, but this gain was largely on the back of a construction and credit boom fueled by easy money. Despite such aggregate gains, the progress in Greece overshadowed deep structural labor deficiencies affecting most notably female participation rates and unemployment, youth employment and labor-force entry, and large macroeconomic imbalances.

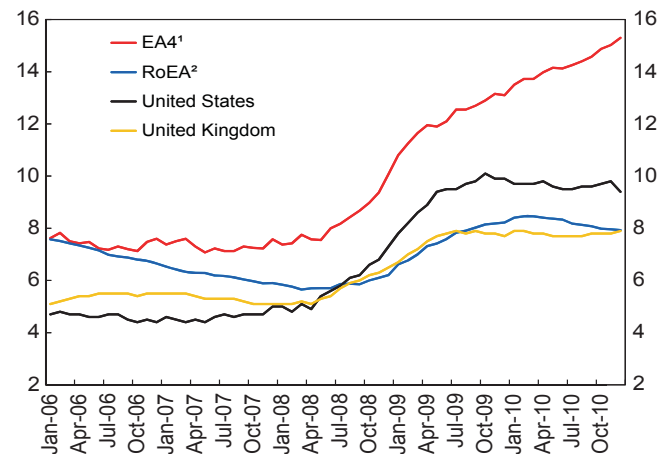
As late as April 2009, the IMF was still predicting a relatively minor recession for Greece, at -0.2 percent of real GDP and a -0.6 percent contraction for 2010. Furthermore, the IMF forecast predicted that the fourth quarter of 2010 would post a positive growth rate of 1.4 percent (IMF 2009).

Yet within a matter of months, Greece went from “suffering” the structural deficiencies of Southern Europe to a global guilty verdict for its abuse of public spending, poor macroeconomic management, and an economic malaise due to worker laziness and excessive rent-seeking. This rapid shift in sentiment opened the door for the IMF/EU/ECB “bailout” of Greek debt initially on the order of 110 billion euros, with a second bailout of 130 billion euros currently in negotiation. Attached to the money are a host of provisions aligned with the Structural Adjustment Programs of the IMF's past. Chief among such interventions is to cut public expenditure, encourage private savings, and increase income, property, and value-added tax rates, along with more rigorous collection strategies and the blanket privatization of state-owned enterprises (SOEs).

For a country with high levels of public employment and—until recently—a growing social, health, and education sector, the austerity measures have been met with predictable opposition. What we are beginning to see, however, is the actual economic fallout from such rampant funding and spending cuts. Construction, real estate, and finance bore the brunt of initial layoffs in Greece, in part due to the headwinds of the global recession. More recently, the massive cuts in public sector jobs, education, and health- and social care-related sectors—all in accordance with austerity measures—are reverberating throughout the economy. Retail and consumer-driven sectors are bearing the dual burden of a global demand shock and an induced domestic depression.

Much of the world has seen the recent upsurge in unemployment rates begin to level off (see Figure 1), but the situation continues to worsen for Greece and the other EA4 economies (Portugal, Ireland, Greece, and Spain)—which, together with Italy, are unflatteringly referred to by some as the “PIIGS.”

FIGURE 1 (Source: IMF 2011)
Selected European Countries and the United States: Unemployment Rate, January 2006–December 2010
 (Percent)



Sources: Eurostat; Haver Analytics; and IMF staff calculations.
¹EA4: Greece, Ireland, Portugal, and Spain.
²Rest of Euro Area (RoEA): Excludes Greece, Ireland, Portugal, and Spain.

With a labor force of less than 5 million people, the continued upsurge in the number of unemployed is daunting. Figure 2 and Figure 3 show the level of unemployment and the unemployment rate. In a country with only 9.3 million people over the age of fifteen, unemployment in excess of 820,000 people, or 16.5 percent of the labor force, is staggering (Figure 2 and 3). To make matters worse, credit markets are betting that the worst is yet to come for Greece. The contagion flowing from the Greek crisis to other EA4 economies is evident in the credit default swap market (Figure 4), where there are large bets on a Greek default and a growing perception that this will spread throughout other EA4 nations.

FIGURE 2
Unemployment in Thousands
January 2005—July 2011

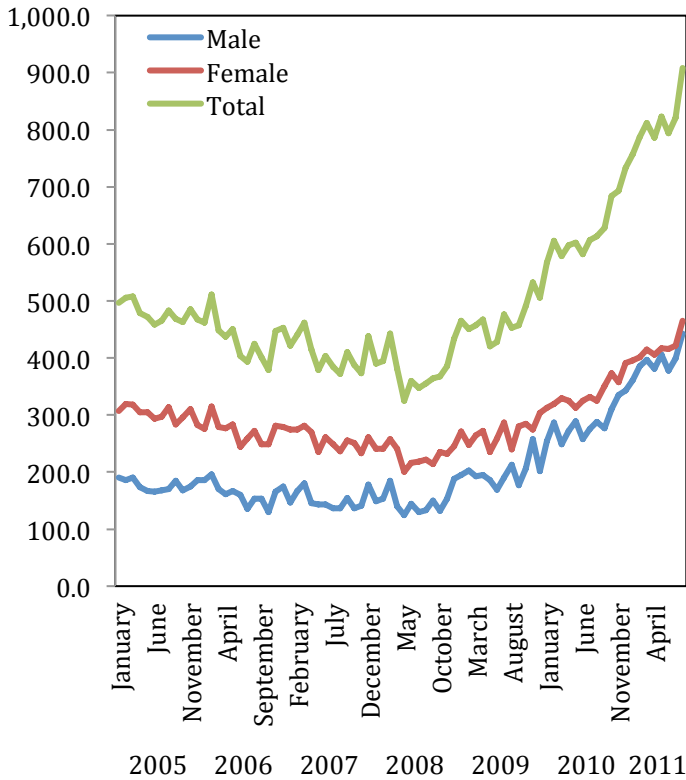


FIGURE 3
Unemployment Rate (in percentage)
January 2005—July 2011

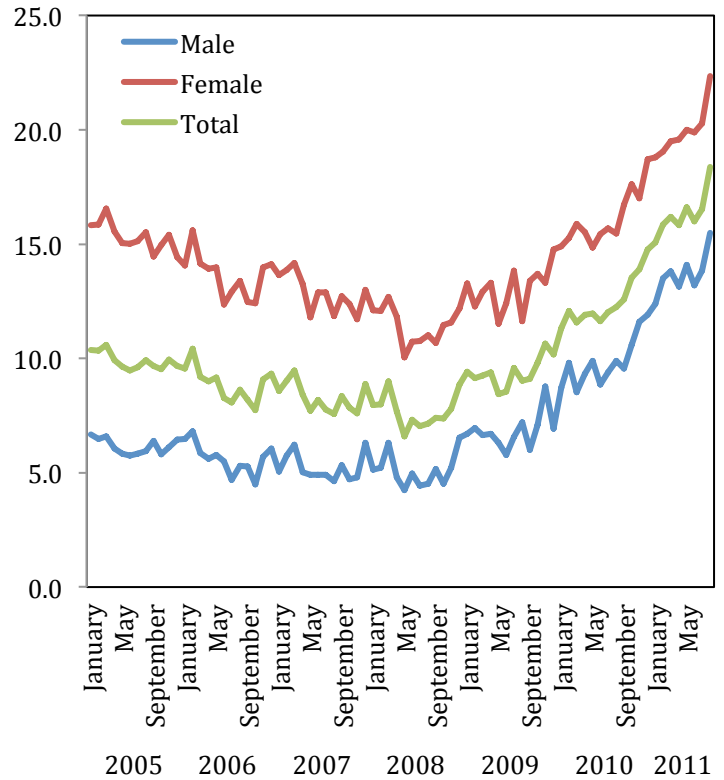
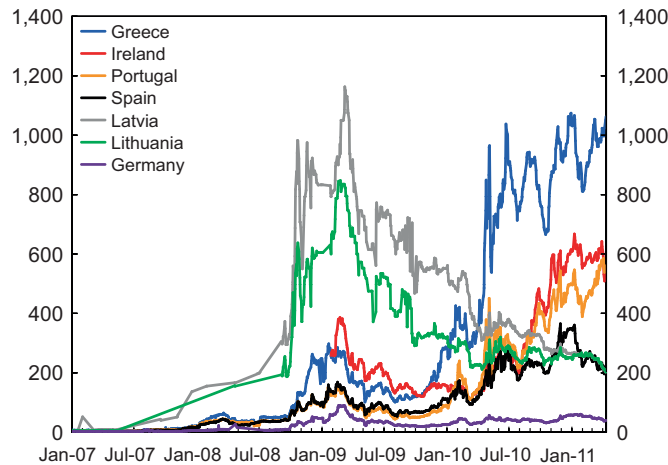


FIGURE 4 (Source: IMF 2011)

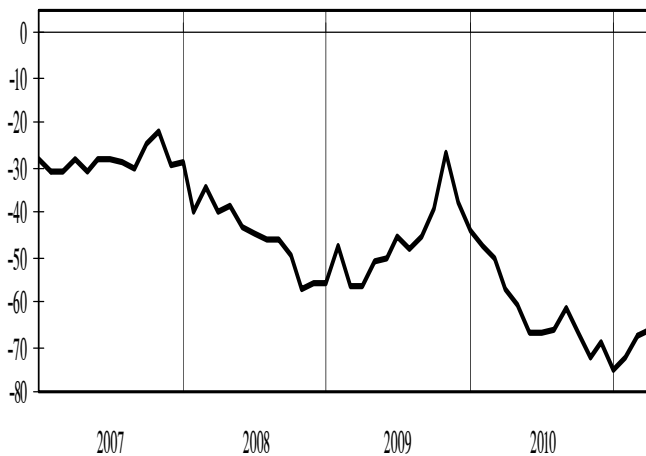
Selected Countries: Five-Year CDS Spreads,
January 2007–April 2011
(Basis points)



Source: Bloomberg, L.P.

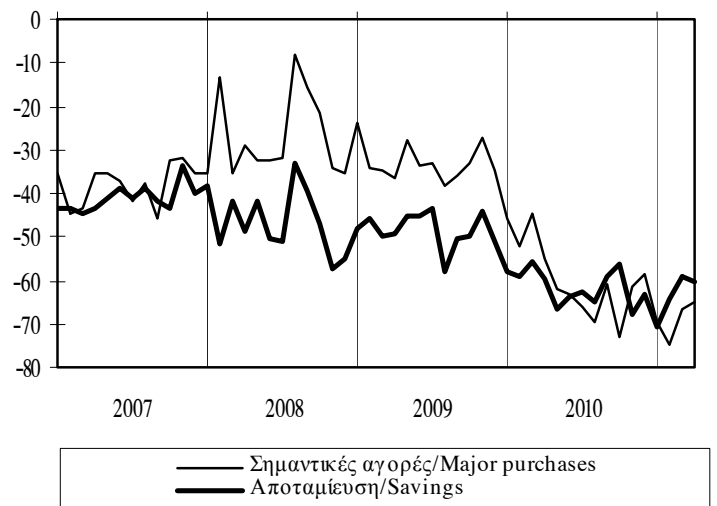
Both the business community and consumers are bracing for a protracted recession, as evidenced in confidence indicators and planned purchases (Figure 5 and 6). Equally troubling is the need for households to draw down planned savings, reflecting the stress on disposable income and the growth of interest rate payments over the last decade. If the private sector is expected to replace the public sector as a motor of growth, these are discouraging trends.

FIGURE 5 - Consumer Confidence Indicator



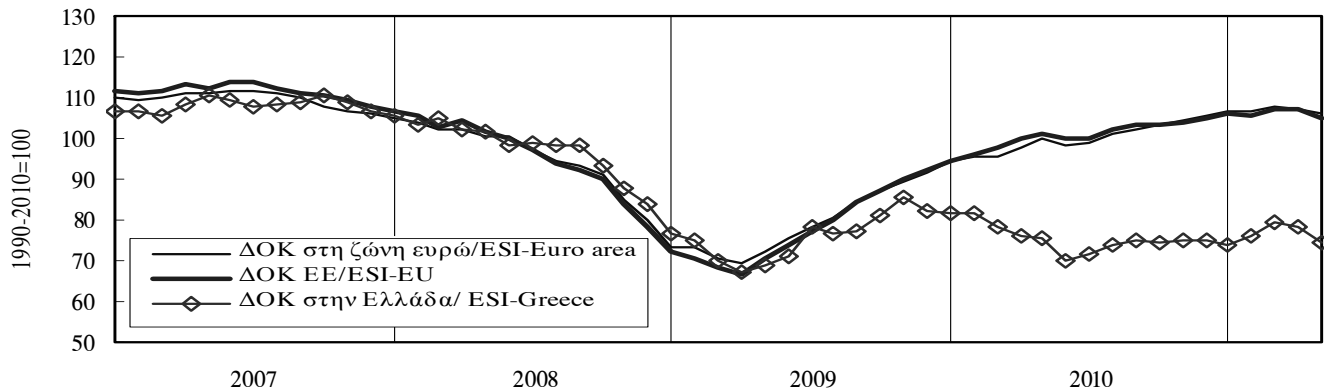
Source: Bank of Greece (BoG). 2011

FIGURE 6 - Major Purchases & Savings (next 12 months)



Perhaps more troubling than the decreased consumer and business confidence in Greece is the divergence of these trends from the rest of Europe, especially the other eurozone economies (Figure 7). Furthermore, there are reasons to doubt that an engineered recession will serve to restore competitiveness. The previous ability to devalue the local currency, the drachma, as a means to restore competitiveness was removed with the adoption of the euro. While the relatively low inflationary environment that the euro affords is a positive feature for a nation with a large pensioner community, the restrictions that accompany the euro, and especially those bundled into the IMF/EU/ECB austerity measures, may further erode Greek competitiveness in the coming years. Add to these structural weaknesses the low rates of business startups and poor performance in attracting foreign direct investment compared to much of Europe (IMF 2011; EC 2011), and it becomes even more apparent that the private sector alone cannot be relied upon to provide enough jobs to the unemployed and new labor force entrants.

FIGURE 7 – Economic Sentiment Indicators (ESI)



Source: Bank of Greece (BoG). 2011

Underlying many of the austerity interventions in Greece is an assumption that the private sector has the ability to absorb labor. The high barriers to foreign entry, highly regulated professional categories, onerous regulations, and bureaucratic hurdles to new business—often cited by the IMF and EC as reasons for labor market liberalization and privatization (IMF 2011; EC 2011)—can also cast doubt on the private sectors’ ability to absorb the jobless and new labor market entrants. There is little historical precedent for privatization and increases in labor market flexibility producing strong private sector employment creation during a crisis.

CHARACTERISTICS OF THE GREEK LABOR MARKETS

Until recent years, the Greek economy was characterized by high rates growth (4.7 percent in 2004). The paradox of high economic growth combined with increases in both poverty rates and inequality shows that growth in recent years has been distorted. Among eurozone nations, Greece is unique in its high primary sector employment—albeit at significantly reduced levels—and a large number of very small businesses.

Overall, the Greek labor market is characterized by relatively low labor force participation rates, especially among women and youths. The low labor force participation of women is partially due to the absence of a well-organized and developed public childcare system. Many women choose staying out of the labor force over paying a disproportionate share of their earnings for a good private childcare facility. The employment levels are also low in relation to European averages, while unemployment rates have remained high despite sporadic efforts aimed at labor market flexibility. In addition to women and youths, unemployment in Greece tends to fall disproportionately on people with disabilities and

people located in certain geographical regions. Until recently, the female unemployment rate was more than double the male unemployment rate. Employees working in Greece also work more hours on average compared to most European countries and remain in the same position within a particular profession for a longer period of time (OECD 2010).

EURO ADOPTION AND PRE-CRISIS TRENDS: 2000-2007

The seeds of instability in Greece were partially planted prior to the eurozone entrance in January 2001. In the buildup to euro adoption, Greece undertook many of the EU reforms related to agriculture and privatization, which helped contribute to the primary sector declining as a percentage of GDP. Nevertheless, by many international standards Greece was a laggard in adopting reforms and still stood in sharp contrast to most EU nations, save notably Portugal. Many of these economic reforms, however, came through outside investment and thus failed to curb the growing current account deficit.

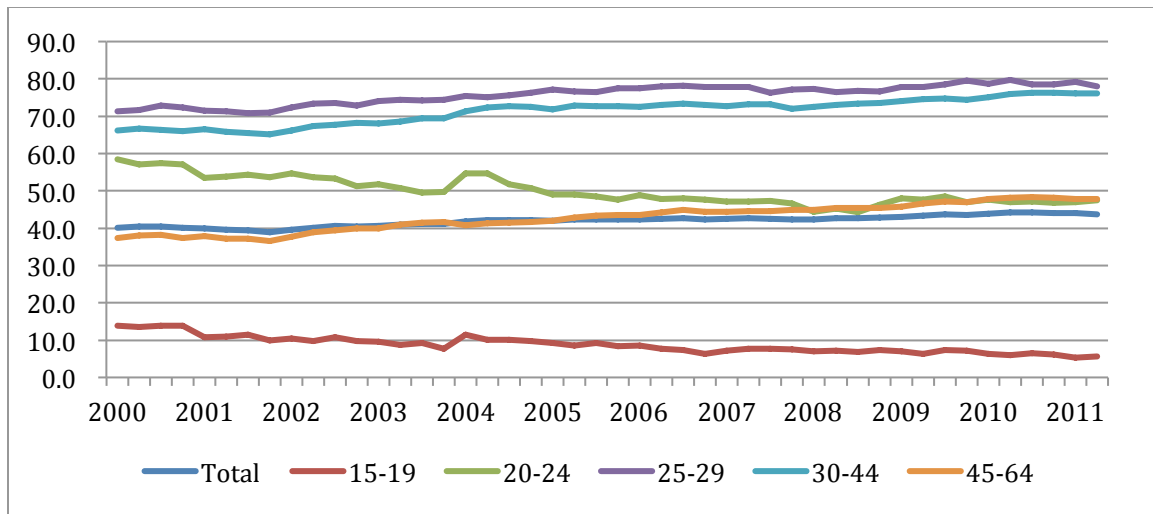
In the buildup to euro inclusion and the lead up to the crisis, rising domestic demand and profitability (above EU averages) were the main drivers of capital accumulation and GDP growth. The large uptick in consumption that helped fuel demand had several sources, but came mainly on the back of large public spending and ballooning private debt. Public investment in infrastructure and private residential investment also boosted GDP, based in part on the low interest rates afforded by EMU inclusion. Strong protections against dismissal for formally employed permanent employees have been a core element of the traditional Greek employment regime, along with extensive informal work, mainly concentrated among migrants, youths, and women (Karamessini 2011). Coupled with sustained high levels of unemployment, the precarious nature of the labor force in Greece required further nurturing.

To address these challenges, the government set out a broad base of aims to close of the first decade of 2000. Embodied in the *National program reforms for growth and employment, (2005-2008)* was a general consensus to increase productivity, control inflation, and relieve labor markets restrictions. To facilitate such aims, measures were taken to support full and part-time employment in the public sector for women and vulnerable groups. These measures included enhancing the functioning of Private Employment Agencies (IGSE) and temporary work agencies (EPAs) where employees are now guaranteed full employment and insurance rights. Goals were also established for the implementation of special programs aimed at better integration into the labor market for unemployed women and unemployed young people. The continuous improvement of the functioning of the Public Employment Service was flagged for this purpose (Ministry of Economy and Finance 2005).

Shortly after establishing the aforementioned goals, new mandates focusing on poverty reduction were discussed in the *National Strategy Report on Social Protection and Social Inclusion 2008-2010*, which set national targets through the ΕΣΠΑ (National Strategic Reference Framework) for reducing the rate of those at risk of poverty from 21 percent in 2006 to 16 percent in 2013. An intermediate goal was to reduce the risk of poverty to 19 percent by 2010. The aim is to achieve an employment rate of 65 percent by 2013, as made in the ΕΣΠΑ, from 61.4 percent in 2007. Another objective is to maintain satisfactory growth rates in employment rates of women and approach 52% by 2013 (Ministry of Employment and Social Protection 2008).

One of the limited successes in implementing national economic strategies was in labor force participation. It is clear that both youth participation (especially those under 24 years old) and unemployment were challenges that predated the crisis. Nonetheless, an encouraging area was the rising participation rate of females aged 25-64 years. There have also been important successes in increasing participation rates in certain regions (Attica and North Aegean most notably), largely due to the increased rate of female participation. Youth (those 24 years old and younger) participation, however, remained troubling in both the level and trend of participation. This is especially concerning for those aged 20-24 years.

FIGURE 8 – Labor Force Participation Rate, Female



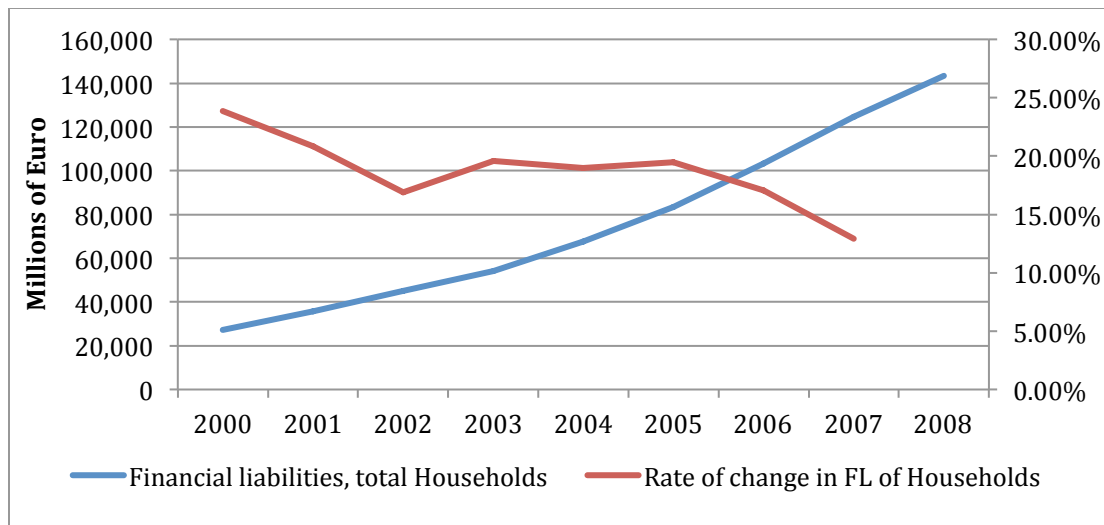
Source: Authors' calculations based on ELSTAT figures

Maria Karamessini (2011: 2-3) aptly summarizes the culmination of these structural changes:

The aforementioned changes in the production system and regime altered the structure of employment. At the onset of the current economic crisis (2008) 12% of all employed were occupied in agriculture and 69% in services; 29.2% were self-employed, 5.6% unpaid family workers and 65.2% wage earners. In comparison with 20 years earlier, the workforce had become much more proletarianised, the typical worker was now employed in services while the public sector occupied the same share of all employed i.e. 22%. Tertiarisation of employment had led to feminization and immigrants had become the main group of manual workers, representing 7% of all employed in 2008 against less than 1% in 1989.

Thus the sectorial shifts and growing importance of the service industry added to growth substantially, but had also swelled the labor force in areas highly vulnerable to economic and consumer sentiment. When coupled with the low interest rates afforded by the euro, households turned to borrowing to a large degree.

FIGURE 9 – Financial Liabilities of Households

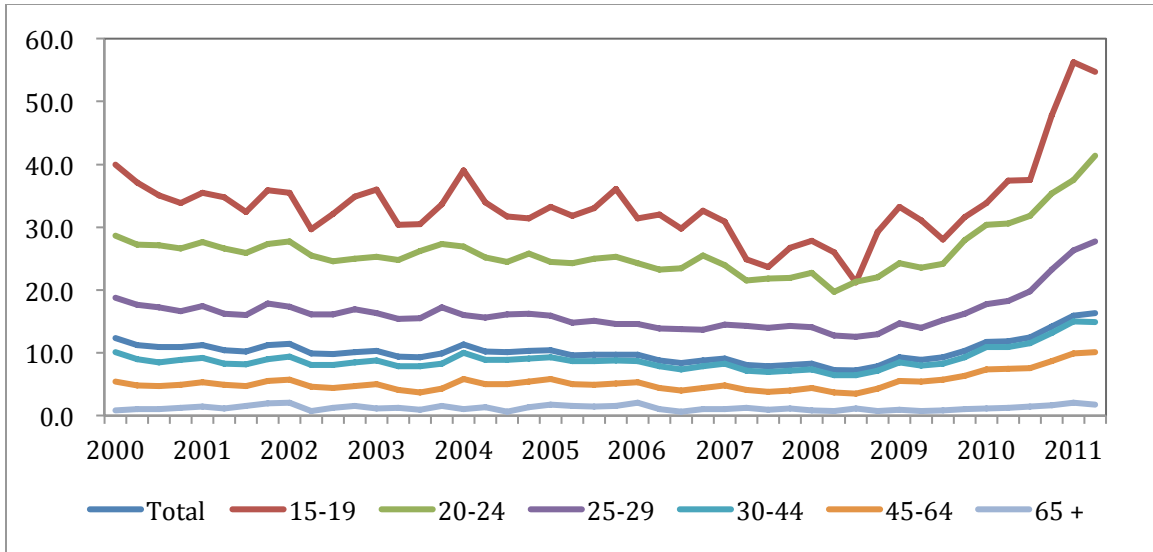


Source: INE/GSEE 2011.

This is not to absolve Greek society from responsibility for the eroded competitiveness vis-à-vis other euro nations. Employers could have increased competitiveness by decreasing profit margins, which were the second highest in the EU-15 from 1995-2009, next only to Ireland (Karamessini 2011). Without the government taking an interventionist approach to reduce or redistribute profits, however, it is difficult to imagine the market “self-correcting” this imbalance.

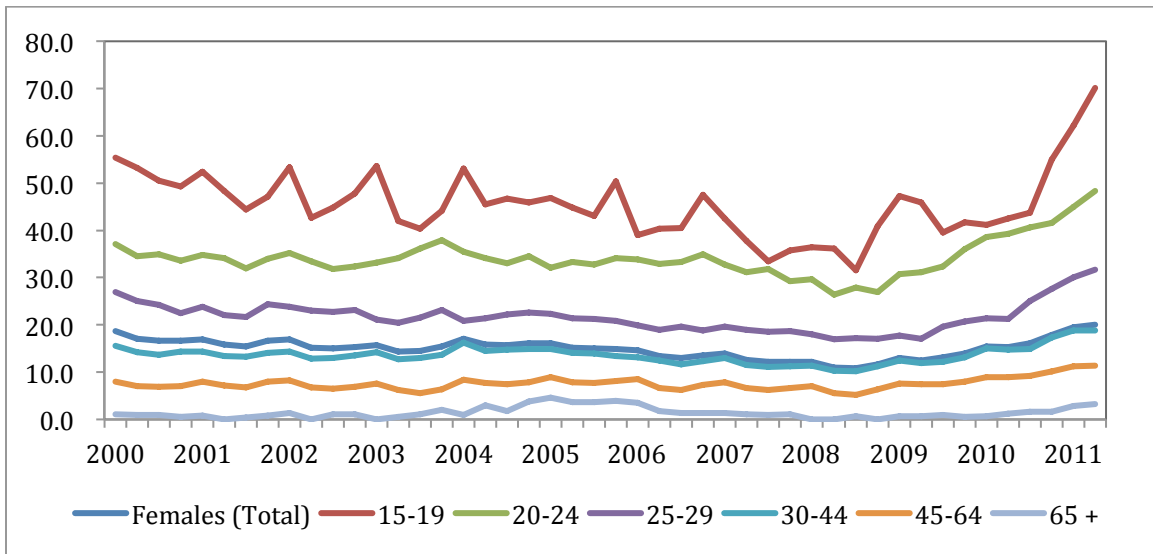
Despite the aforementioned national strategies, unemployment remained an endemic problem in Greece (Figure 10) even prior to the crisis. Furthermore, the disparities in unemployment across gender and age are striking (Figure 11 and 12).

FIGURE 10 – Unemployment by Age, Both Sexes



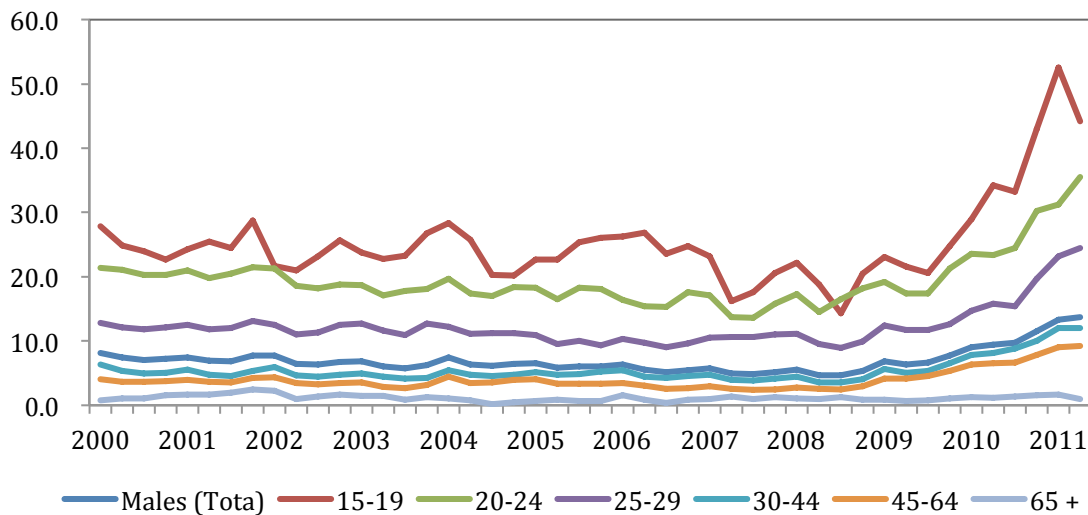
Source: Authors' calculations based on ELSTAT figures

FIGURE 11 – Unemployment by Age, Female



Source: Authors' calculations based on ELSTAT figures

FIGURE 12 – Unemployment by Age, Male



Source: Authors' calculations based on ELSTAT figures

The remainder of this section highlights the challenges for many socio-demographic groups in Greece and points to potential opportunities for interventions in the face of the crisis. The plight of youths and women is particularly troubling and warrants intervention. All of these aforementioned trends will exacerbate poverty in the coming months and years in Greece. The crisis and IMF/EU/ECB austerity measures will add a new layer of stress to these troubling trends. The next section breaks down, in greater detail, the pre- and post-crisis trends in employment, highlighting sectoral shifts and changes in the composition of the labor force.

From 2000 through 2007, overall employment was expanding throughout Greece, save agriculture, animal breeding, hunting, fishing, and forestry. While manufacturing, transportation, storage, and communication remained relatively flat, several industries demonstrated healthy growth in employment. Most striking were the gains in wholesale and retail, public administration and defense, education, health, social work and other community activities, construction, and real estate. Not surprisingly, much of the employment creation in construction went to male laborers. The vast majority of new employment, however, was filled by women – many of whom were entering the labor force over this period. Wholesale and retail offered the greatest growth and absolute number of jobs for women, but gains were also notable in the number of women employed in the traditionally gendered sectors of education, health, social, and community work.

As mentioned earlier, Greece is known for its large public sector, which comprises over 46 percent of GDP (Miller and Holmes 2011). However, this percentage is currently decreasing due to forced retirements and the rash of SOE privatizations. Furthermore, the government payroll itself is currently shrinking, as imposed by the IMF/EU/ECB bailout. Regardless, the public sector has historically comprised a large share of the economy relative to Germany, Spain, and Ireland, but a lower share than that of France and Italy (Table 1).

Table 1

Government Sector as a % of GDP in 2009	
France	52.8
Germany	43.7
Greece	46.8
Ireland	42
Italy	48.8
Portugal	46.1
Spain	41.1

Source: Miller and Holmes 2011.

One further characteristic feature of the Greek economy is the large percentage of self-employed persons and small enterprises. While there has not been a large redistribution of employment from self-employment to wage and salary earners, as one might expect under EU convergence policies, sole-proprietorships have grown slightly in the face of the crisis (Figure 13 and Figure 14). Although some of the self-employed are in regulated professions, such as doctors, lawyers and the like, there are a large number of small businesses that have experienced great stress and/or closure during the crisis. We can only assume that many self-employed people and wage or salary employees that have been laid off, and SMEs that have been forced to close, are entering the shadow economy as the data makes its way to the surface. Previous experience in other countries would support this projection (IMF 2011).

FIGURE 13 –

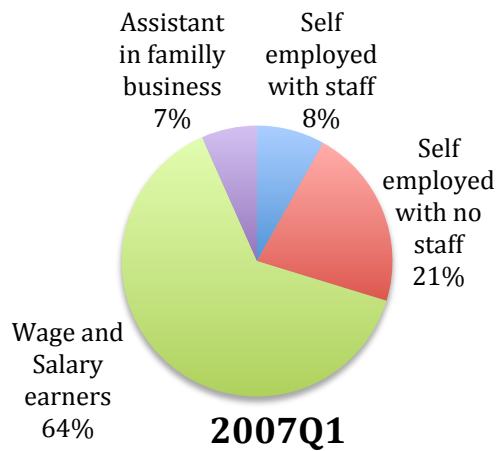
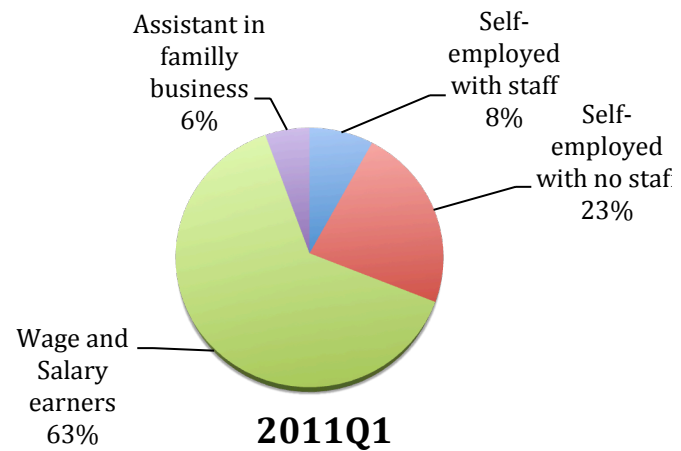


FIGURE 14 –



Source: Authors' calculations based on ELSTAT figures

Several other troubling axioms have emerged from periodic crises internationally: including the regressive, inequality-increasing impacts of unemployment, duration of unemployment, and dual labor markets (formal versus shadow). It is estimated that the recent upsurge in unemployment has increased inequality by an estimated 2 percentage points in the euro area as a whole, and by as much as 10 percentage points in Greece, Ireland, Portugal, and Spain (ibid).

Another feature that is pronounced in the Greek labor market is the prevalence of informal work. While estimates of informal economic activity—often referred to as the “shadow economy” or *paraokonomia*—vary widely, most estimates place Greece’s gray sector between one-quarter and one-third of GNP in size. One shadow economy estimate puts only Italy near Greece within Europe, at 27 percent and 28.6 percent of GNP respectively (Schneider 2004 and Katsios 2006).

CRISIS ADJUSTMENTS AND SOCIAL PROTECTION: 2008-2011

As mentioned earlier, unemployment rates in Greece tend to be focused disproportionately on youth, women, persons with disabilities, and people located in certain geographical regions. This is further confounded by the difficulty in absorbing youth labor, which is surprisingly true of well-educated youths.

Youth unemployment was predicted to rise to 28 percent by the end of 2010 (Woestman 2010). The actual level was far more staggering for 15-24 year olds, at 39 percent

in December 2010 and 42.5 percent by March 2011. This was even starker when disaggregated by gender, with female unemployment toting 30 percent for 25-29 year olds (compared to 23.2 percent for males), nearly 45 percent for 20-24 year olds (versus 31.2 percent for males), and a shocking 62.1 percent for 15-19 year old teen girls (against 52.5 percent for teen boys) in the first quarter of 2011 (ELSTAT 2011e). See Appendix A for a full breakdown of unemployment by age and educational attainment.

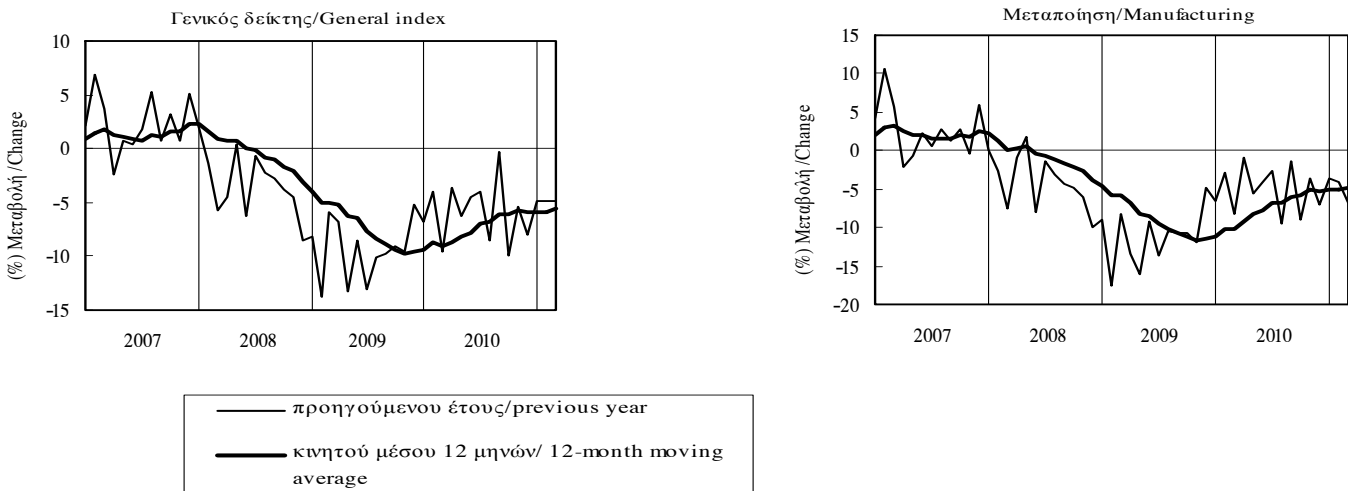
In addition to unemployment and low participation rates concentrated on women and youths, regional and seasonal unemployment presents problems in Greece. While Greece on the whole has made progress in participations rates, with regions like Attica and the North Aegean making strong gains, such advancement exists in the face of widespread unemployment. In Greece, unemployment is characterized by regional disparities and strong seasonality for regions that rely heavily on tourism and agriculture. The graphs in Appendix B highlight such trends in unemployment across regions, where the rampant nature of unemployment in many northern regions and the seasonality of many of the islands are clearly evident.

While the numbers across all sectors seem to worsen by the day, several sectors are already showing signs of more rapid deterioration in employment retention. Overall, manufacturing, construction, and real estate have been the first sectors to shed jobs. As stores close, one can expect wholesale and retail trade to drop quickly. Furthermore, the austerity measures will shed employment from state-related sectors: education, human health and social work, and public administration and defense.

An interesting anomaly is that the “last-hired, first-fired” rule seems to break down in the current crisis, with women weathering the first rounds of layoffs comparatively well. This is largely due to the hard hit on sectors that are predominately male-dominated, especially manufacturing, construction, and real estate (Figure 15). As the austerity measures start to reverberate through the social sector, female employment will surely fall substantially over 2011/12.

FIGURE 15 –

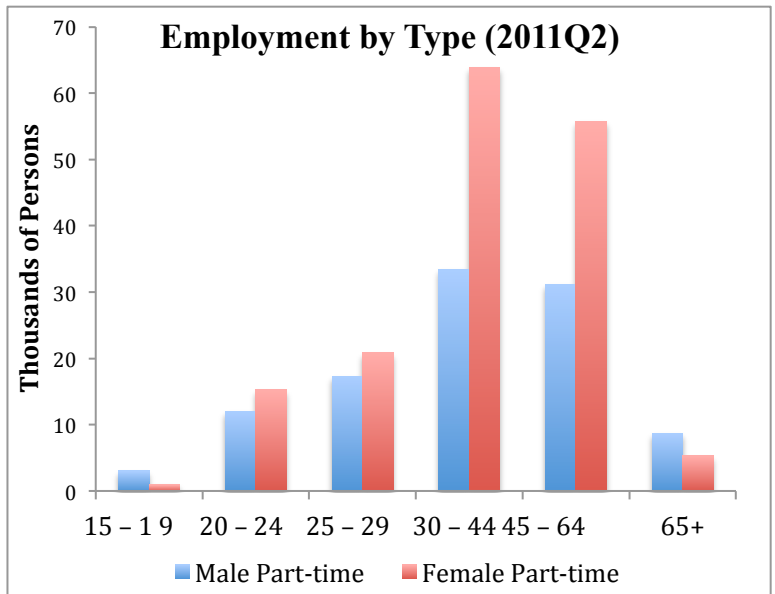
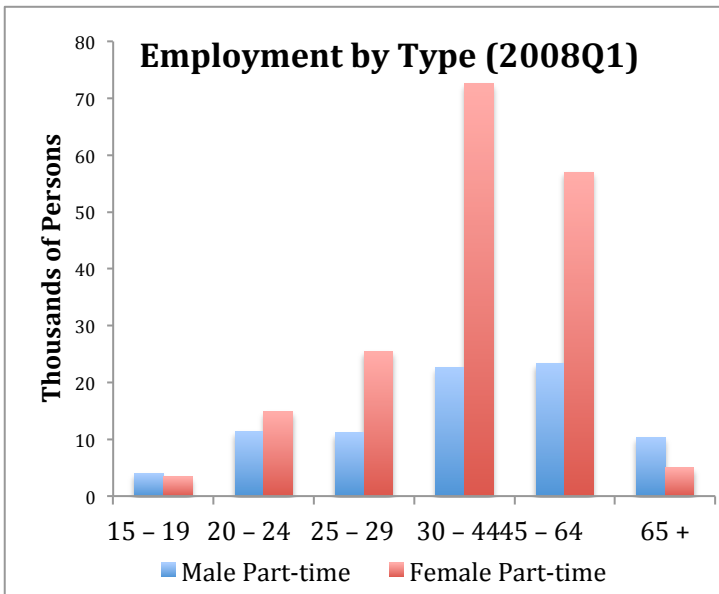
INDUSTRIAL PRODUCTION (Source: Bank of Greece (BoG). 2011)



From 2008 to the present, private sector unemployment increased for the first time since 1991. Over 2008-2009 alone, while permanent employment decreased, part-time employment for men increased by 25 percent (versus 20 percent for women). Despite this rise in men’s part-time employment (see Figure 16 and 17), women still constitute three-quarters of all part-time employees (Woestman 2010).

FIGURE 16 – Employment by Status, 2008Q1

FIGURE 17 – Employment by Status, 2011Q1

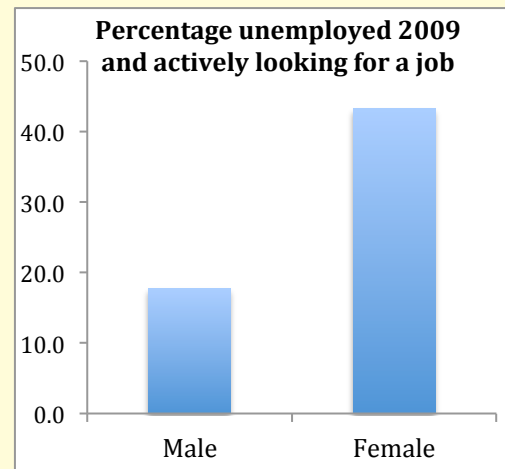


Source: Authors' calculations based on ELSTAT figures

FEMALE LABOR

For every age group, women claim higher rates of unemployment and lower participation than their Greek male counterparts. Total female unemployment in March 2011 stood at 19.5 percent, against 13.5 percent for males. The difference is of greater magnitude once disaggregated by age, with 15- to 19-year-old girls' unemployment rate topping 60 percent. While the male figure is also staggering, at 52.5 percent, other ages have even larger disparities. Among 20- to 24-year-old women, unemployment stands at 45 percent. Compare this to 31.2 percent among the same male demographic. Perhaps most troubling is that after years of labor market absorption of new female workers, partially due to concerted efforts by the government to draw in women workers, the participation rate among 20- to 24-year-old women has fallen below 50 percent. Instead of young and educated women driving growth and new employment, they are exiting the labor force in favor of domestic production and informal work. There is a vast amount of literature that highlights the dangers for females when they are tenuously connected to the formal economy. These risks range from greater exploitation, higher risk of poverty and consumption shortfalls, and greater risk for abuse and depression.

To worsen matters, women also take longer to enter the workforce, enter at lower pay, and hold jobs for shorter periods than male counterparts (OECD 2011). Furthermore, as highlighted earlier, women are far more likely to hold part-time jobs than men. While the crisis has led to an influx of male workers into part-time positions, women still occupy the vast majority of part-time and temporary employment. There is a host of research pointing to variability in consumption impacting well-being to a greater extent than the actual level of consumption (Sen 1997).



Source: Hellenic Statistical Society

YOUTH LABOR*

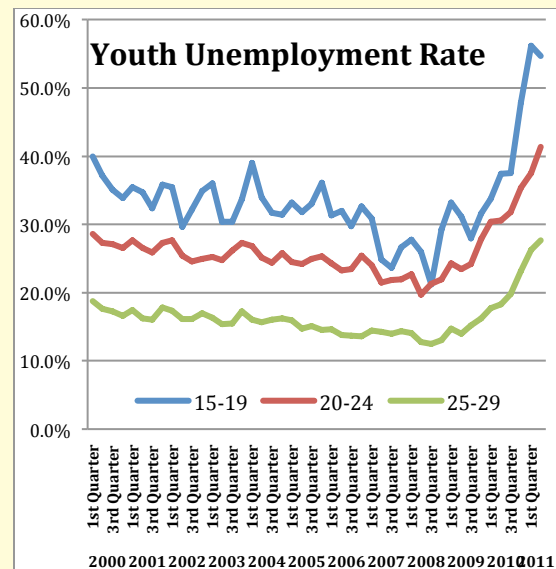
Youth unemployment and labor market activation is a problem that pre-dates the recent crisis in Greece, but it has worsened post crisis. In addition to a focus on female unemployment and participation, much of the National Program aims in the 2005 and 2008 plans focused on youth labor activation. Such aims, largely between 2006-2008, focused primarily on entrepreneurial and vocation guidance. Despite such efforts, in 2008 Greece still recorded youth unemployment rates 7 percent above OECD average, with long-term unemployment double the OECD rate. Furthermore, the youth participation rate was 20 percent below the OECD average.

The problem is also not one of youths “locking” labor in educational pursuits. On average, young Greeks take roughly two years to find their first job after leaving school. Compare this figure to 17 months in Europe as a whole and 6 months in the United States for youths finding employment. To exacerbate this already tenuous connection to the labor market, most youths work in low paying jobs (2/3 median wage or less) and are over-represented in temporary employment. Educational qualifications present a perplexing inversion in Greece, where the unemployment rate of tertiary and higher educated youths is higher than that for youths that withdraw from education earlier. There is also widespread over-qualification in retail with many sales people having completed tertiary education.

Such trends are more troubling in the face of uneven socio-demographic distributions. Young women and young rural residents are harmed by high unemployment and low participation above and beyond the national trends. Greek women take longer to find initial jobs and are more likely to withdraw from the labor market. Also, despite the relative performance of youths with no or few qualifications compared to college graduates, dropouts are more likely to permanently drop

from the labor force (often in favor of informal work). The level of dropouts is staggeringly high in Greece compared to other Western European countries, with 12 percent of 15-24 year olds failing to obtain upper secondary qualifications in 2007, and still missed the Lisbon objective of 10 percent by 2010.

To address these concerns, in 2009 the Papandreou government continued the National Program aims with the introduction of a series of incentives for the participation and hiring of youths. Among these reforms were social security contribution relaxations and subsidies to SMEs that hired youths. Such subsidies built on the Karamanlis government’s pre-2009 wage subsidies for youths with higher education, which covered roughly one quarter of the wage at qualifying firms. Clearly the crisis has overshadowed these earlier efforts. The issue now warrants concerted government intervention.



Source: Authors' calculations based on ELSTAT figures

*Source: OECD. 2010. JOBS FOR YOUTH/DES EMPLOIS POUR LES JEUNES: GREECE 2010.

All of these trends highlight the need for an expanded range of policy responses. Prior to discussing potential interventions, however, it is useful to look at the measures already in place; that is, a review of the social safety net.

The social safety net in Greece appears fairly extensive on paper but in practice it is plagued with gaps and restrictions. For example, Greece is one of the few nations to provide unemployment insurance to youths prior to actual work experience; yet only 6 percent of unemployed youths receive unemployment insurance, compared with a European average of 17 percent (OECD 2010). Add to this the restrictions on certain age groups needing to be registered for one year prior to receiving benefits, and the small amount of the payout and the gaps in coverage start to emerge. Appendix C provides extensive descriptions of both the existing transfer payment structure and the proposed benefits following the economic crisis.

Appendix D evaluates the status of many of these programs. While the IMF measures have placed many of these programs into an uncertain policy space, prior to 2009 construction and tourism were the main sectors to benefit from government stimulus. It is important to note that while many of these programs are poorly targeted and/or use inefficient wage subsidies (a topic that is discussed in greater detail in the next section), there is a clear capacity for monitoring and evaluation (M&E) of such programs. M&E is a crucial component to any proposed intervention and the preexistence of institutions capable of such M&E circumvents a hurdle that is present in many nations.

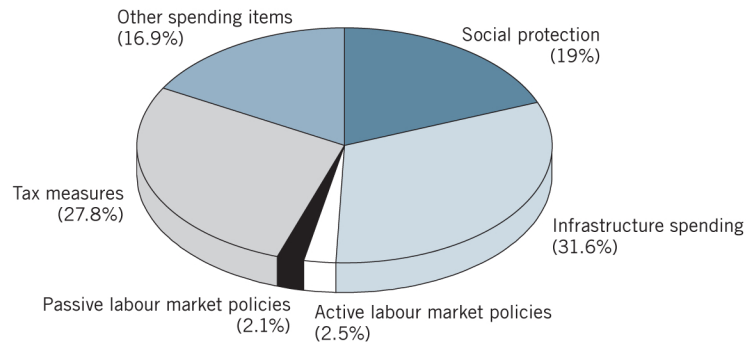
A host of labor reforms in 2010-11 have made the need for adequate social protection provisions all the more pressing. Legislative changes to overtime pay rates, severance costs, and wages below minimum levels for high-risk groups were among the changes enacted. A second wave of labor market reforms was adopted in December 2010. One important change at the end of 2010 and reaffirmed recently was the law on special firm-level collective agreements (SFLCAs), by which employers and employees at the firm level can now agree on remuneration conditions that are below those stipulated in sector agreements. Other important issues addressed in the December law are highlighted in Appendix E on *Recent Changes in Labor Laws*.

The rapid changes in both the legal labor environment and the social safety net in Greece highlight the need for policies that protect workers through direct employment creation (a topic that the following section discusses at length). In fact, Greece has some experience in this area and there are current proposals that consider direct job creation as a means of addressing the increased vulnerability in post-crisis Greece. The appendix details some of these past initiatives and current proposals.

Throughout this report the trends in unemployment have occupied the focus of our analysis. Little, however, has been said about the degree of damage – both social and individual – that accompanies unemployment and poverty. There are many other negative effects (Sen 1997) that afflict the unemployed, including loss of freedom and social exclusion, poor health and mortality, discouragement and loss of motivation for future work, weakening of family structure, racial and gender intolerance, cynicism and ultimate loss of social values and self-reliance, psychological suffering, mental agony, and even suicide. The realized costs and negative effects of unemployment are undoubtedly much higher in Europe than in America, although it is difficult to discern if this is so from the official statistics (Papadimitriou 2008).

Maintaining a state of genuinely full employment would, among other benefits, entail a major reduction in the ills of poverty, homelessness, sickness, and crime (Vickrey, 1977). The common means of addressing such concerns tend to fall under “active labor market” policies.

FIGURE 18
Composition of fiscal stimulus measures in G20
(percentage of total package size)



Source: ILS. 2010. International Institute for Labour Studies, ILO.

In 2006, Greece spent a mere of 0.14 percent of its GDP on active labor measures (compared with 0.41 percent in the OECD on average)—notably on training, employment subsidies, and financial support for self-employment. Recent measures amount to an additional 0.18 percent of GDP per year for the years 2009-11, which still make Greece a spending laggard in this area despite popular international opinion. While the global crisis ramped up spending in most G20 nations—much of which was focused on social protection, infrastructure, and tax breaks (Figure 18)—Greece has found itself across the desk from the IMF’s austerity policies. As such, government spending is contracting dramatically in many areas. Such measures highlight the need for employment policy.

THE NEED FOR AN EMPLOYER OF LAST RESORT POLICY

It is the goal of any government to foster economic development and social cohesion. While many nations leave much of this process to the private market, others take active roles in facilitating these ends, either through interventions or a large public sector. Certain prerequisites to government participation can, however, generally cross the aisles of politics. Among these principles: government policies should not lead to inflation, interfere with the microdecisions of individual firms, or replace existing jobs. Further, they must not rely upon the fine-tuning of aggregate demand to achieve outcomes. For employment policy, there are several options that appear to meet these criteria: work-time reduction, employment subsidies, and government job creation programs (such as employment guarantee schemes or employer-of-last-resort approaches). The former two have been used extensively and have generated mixed outcomes.

Even though experiments with work-share strategies in Germany, the Netherlands, Belgium, France, Australia, and Japan have failed to yield employment increases they are still being implemented anew to deal with the current economic crisis in a number of countries in Europe and in some states in the US, albeit with no results, while employment subsidy approaches interfere with employer decisions, thereby distorting the market mechanism (Papadimitriou 1998, 2008). The employment subsidy strategy is one of the oldest policies proposed, going as far back as Pigou (1933), Kaldor (1936), Hammermesh (1978), Haveman and Palmer (1982), and Phelps (1997). This strategy entails a partial offset of the cost to firms of hiring additional workers from the public purse, but it is unlikely to achieve higher levels of employment; instead, the subsidized job recipient would substitute for the worker currently employed. There are also other forms of wage subsidies that have been used, such as the Earned Income Tax Credit (EITC) in the United States and negative income tax policies (Tobin 1966; Tobin, Pechman, and Mieszkowski 1967) in other countries. The EITC has garnered support (Bluestone and Ghilarducci 1996) for boosting employment and enhancing the income of low-paid workers, but also criticism (Garfinkel 1973) for not providing inducements toward employment growth or incentives to hold onto a job.

Direct Public Service Job Creation is an active labor market policy. Unemployment brought about by severe declines in economic activity (the result of financial and economic crises and structural adjustment policies), seasonally laggard demand for labor (i.e., in tourism, agriculture, and manufacturing), or due to the duality of an economy's structures (with some sectors in high gear and others lagging behind) is a challenge that requires a policy response. Whatever the underlying cause, throughout the last century many countries (United States, Sweden, Argentina, Australia, Chile, France, Republic of Korea, and both in

the developing world and emerging economies, i.e., India, South Africa and China) have introduced what are variably known as “public service job creation,” “employment guarantee schemes,” or “public works programs” (see Appendix F).

MINSKY’S ELR POLICY: THEORETICAL CONSIDERATIONS

The argument has been made for introducing this kind of active labor market policy not only during crises but also with a long-term (or permanent) view. Its theoretical foundations are found in Hyman Minsky (1986). Best known for his insights on financial fragility, Minsky advocated an “employer-of-last-resort” (ELR) policy—a nationally-based *permanent* public service program to function as an automatic (anti-cyclical) stabilizer. To eliminate “forced” idleness and foster a more inclusive society, Minsky proposed that unused, willing, and able labor be paid a fixed wage to engage in socially needed work. When the economy recovers and the private sector expands better paying job opportunities would attract workers out of the program. Examples of services and asset values created may include maintenance of roads and public structures and spaces, reforestation and environmental cleanup, and community-based care services. Some countries have indeed adopted variations on this approach. In Chile, an upper middle-income country, unemployment rates registering above the previous three-year average automatically trigger a *permanent* direct job creation program funded by 1 percent of tax revenue set aside annually.

Hyman P. Minsky (1986) was skeptical of employment policies based on subsidies because he believed such policies were liable to lead to inflation, financial crisis, and serious instability. Instead, Minsky proposed an alternative employment strategy, which he called an “employer-of-last-resort” (ELR) policy, in which government provides a job guarantee. He felt such plan would promote full employment without the inflationary pressures and structural rigidities usually associated with economies operating at full employment.

Although the idea of government acting as employer of last resort dates as far back as the seventeenth century, it was Minsky who gave the idea a secure theoretical footing (Kaboub 2007). Concerned with the fiscal policies of the Kennedy and Johnson administrations in the 1960s, Minsky wrote that “the liberals’” War on Poverty was born out of a neoclassical theory in which it is the poor—not the economy—that is to blame for poverty. The War on Poverty tried to “change the poor, not the economy” (Minsky 1971: 20). This led him to advocate an employer-of-last-resort policy in the late 1960s and 1970s. He included a more sharpened version in his book *Stabilizing an Unstable Economy* (1986). His proposal, further developed by Levy Economics Institute scholars (Forstater 1999; Papadimitriou 1998; Wray 1997), envisaged the government becoming an employer of last

resort, offering demand for labor during downturns or periods of structural unemployment analogous to the way that the Federal Reserve provides liquidity to banks.

In cases where private sector demand is insufficient to provide full employment, unemployment emerges and persists. It is only the government that can divorce profitability from the hiring of workers and can create an infinitely elastic demand for labor (Minsky 1986: 308). This requires government to take responsibility for providing employment to all those willing and able to work at or marginally below the prevailing informal sector wage. It is important to underscore that an employer of last resort would not and could not replace or eliminate other support programs directed to the disabled, the elderly, orphaned children, etc.

Lessons from the New Deal programs during the Great Depression proved that government could successfully fulfill the role of employer of last resort by offering decent jobs that engaged people in socially and economically useful activities that did not compete with the private sector. President Franklin Roosevelt's government programs were many; they included the Public Works Administration, the Civil Conservation Corps, the National Youth Administration, Rural Electrification Administration, and Federal Emergency Relief Act. The economic conditions of those times (1929–33)—with a cumulative GDP decline of more than 45 percent, an unemployment rate of over 30 percent, and a wage income drop of 42.5 percent—were reversed and followed by the “golden period” of American capitalism.

The first component of the proposal would be relatively simple. The government as employer of last resort would announce the wage at which it will offer employment to anyone who wants to work in the public sector, and then would employ all who want to work at that wage. Normal public sector employment will not be affected by this job guarantee plan, but will remain a vital and separate component of public employment. Under this program, the government would become in a sense “a market maker for labor” by establishing a “buffer stock of labor,” as it would stand ready to “buy” all unemployed labor at a fixed price (wage), or to “sell” it; that is, provide it to the private sector at a higher price (wage). As is the case in all buffer stock schemes, the commodity used as a buffer stock is always fully employed. It always has a very stable price, which cannot deviate much from the range established by the government's announced “buy” and “sell” price. This feature of the proposal ensures full employment with stable prices. The buffer stock aspects of this job guarantee program generate “loose” labor markets even as they ensure full employment.

This program can eliminate all involuntary unemployment by providing jobs for every person ready, willing, and able to work. There will still be many individuals—even those in the labor force—who will be voluntarily unemployed, unwilling to work for the government,

or unwilling to work for the government's predetermined wage; not to mention individuals who will not meet the minimum standards for such employment or who would rather look for a better job while unemployed.

While current program efforts in Greece are not necessarily ELRs, in that they offer a finite employment period and finite number of placements, there are important corollaries between Minsky's theoretical foundations and the continued practical work at the Levy Institute.

DIRECT JOB CREATION: THE INTERNATIONAL EXPERIENCE

Aside from the archetypical New Deal programs in the United States, many nations have experiences with direct job creation, especially in the form of crisis response. Over the years, India, South Africa, Argentina, Ethiopia, South Africa, Korea, Peru, Bangladesh, Ghana, Cambodia, and Chile, among many others, have intermittently adopted policies that effectively rendered them “employers of last resort.” There exists a lot of variation between countries in regard to the reasons these programs were initiated. For example, in Maharashtra, a state in India, it was adopted to guard against food insecurity and loss of basic entitlements during seasonal unemployment and draught in rural areas; in Argentina in 2001 and Korea in 1997, to ameliorate the after-effects of the financial crisis; in Bangladesh and Ethiopia, to enhance food security; and in South Africa, to alleviate chronic poverty. Differences also exist in regard to duration, source of financing, types of projects undertaken, selection criteria for participation, mode of remuneration, institutional arrangements, degree of decentralization, level of transparency and community involvement, and length of guaranteed employment. Several direct job creation programs provide useful examples for the different motivations surrounding these programs, as well as the types of targeting that can be employed.

SWEDEN

The Swedish or “corporatist” model undercut traditional theory by showing that price stability was possible without using unemployment as a disciplinary measure against labor. The model was developed with two transient features: (1) highly centralized wage bargaining, and (2) active labor market policies. Wage differentials did not factor into the collective wage bargaining efforts, which in turn promoted equality even across high and low profit sectors. The result was high corporate investment despite high taxation rates, as profits were somewhat equalized across sectors. The theoretical underpinning can be found in Keynes' idea of socialized investment (Kaboub 2007).

FRANCE

In December 2005, France announced a pilot ELR in which recently laid off workers from companies of less than 300 employees were to be eligible for a “Professional Transition Contact” (*contrat de transition professionnelle: CTP*). CTP workers were to be guaranteed the same wage as their prior employment. The program envisioned both an activity payment and training opportunities. Funding was to be sourced from the unemployment payments of firms that use CTP workers. The total cost of the program was estimated at 70 billion euros or 4 percent of GDP, if all the unemployed were to enter the program immediately (Attali and Champain 2005). Compare this magnitude to the roughly 4.2 percent of GDP spent on unemployment compensations and other employment programs (Kaboub 2007).

SOUTH KOREA

During the East Asian meltdown of 1997-1998, Korea moved from a nation essentially without a social safety net (due to near full employment pre-crisis) to a “Master Plan for Tackling Unemployment.” Under this initiative, the Employment Insurance Program was extended; emergency public works programs were implemented to create jobs for the low-skill workers who would otherwise have been unemployed with no social protection; a new income support program for the poor, the Minimum Living Standard Guarantee (MLSG), was introduced; and the health care system was reformed over 1998-2000.

For the public works, there were four categories of work: infrastructure-maintaining projects including cultivating forest, building small public facilities, and repairing public utilities; provisions for a workforce for social service and charity organizations such as community centers and welfare institutions; environmental cleanup work, which includes roadside cleaning and rubbish collection; and information-technology-related projects, which are targeted at the young and computer-literate. The whole package of programs under the “Master Plan for Tackling Unemployment” accounted for 10 percent of Korean government expenditure, with PWP’s claiming 1.62 percent at their height (Atinc 2000; Kwon 2002a and 2002b; Lee 2000).

SOUTH AFRICA

South Africa will face an unemployment rate in the range of 33 percent in 2014 if current patterns continue unabated (Pollin, Epstein, et. al., 2006). Partly in response to the growing social strife that accompanies such endemic unemployment, the Expanded Public Works Programme (EPWP) was introduced to create one million “cumulative work opportunities”

over five years by providing labor-intensive public work opportunities. The EPWP has been raised to a 20 billion rand national initiative, and includes the following components: labor-intensive infrastructure projects, including building of roads, bridges, and irrigation systems; public environmental improvement programs; and creating work opportunities in public social programs, e.g. home-based care workers and early childhood development workers.

Many interesting insights have come from the South African experiment with EGPs. Chief among these is the strongly gendered nature of the work provided. While targeting by income is a key element for all EGP programs, additional targets (such as single mother households or unemployment spells lasting longer than six months) have proven to amplify the impact of such programs on household poverty and inequality when properly designed (Antonopoulos 2007, 2008 and 2010).

The types of work offered in the South Africa program also offer an interesting case for scaling up a care-based intervention. Care provisioning sectors were found to have significantly stronger impacts on the employment multiplier and on alleviating household poverty and sectorial inequality when compared to traditional infrastructure-oriented public works programs or “green” job creation (Antonopoulos and Kim. 2011; Antonopoulos, et. al. 2010, revised June 2011).

The aforementioned programs highlight the ability of ELR projects to address different social ills. While a national ELR is a grand aim for Greece, direct job creation – especially if targeted at the most vulnerable – has the potential to limit poverty during times of crisis. During periods of rapid contraction two policies have been proven to ease the plight of the poor: emergency cash transfers and employment guarantee programs. It is the latter policy that we view as not only viable for Greece, but necessary.

STAGES IN DEVELOPING AND MONITORING ELR PROGRAMS

Setting up systems for monitoring and evaluation (M&E) is an integral part of the overall *Program Design* process. There are three domains of M&E systems: (1) *process*, (2) *outputs*, and (3) *outcomes*, each requiring distinct types of information and data. Tracking of *process* issues relates to adhering to desirable (socially inclusive and consultative) steps taken from the very beginning of program formulation and, subsequently, to following the pre-specified rules of operation. *Outputs* refer to the achievement of key stated objectives of the Direct Public Service Job Creation (JCP) program (number of job opportunities created, completion of works performed, additional services delivered, etc.). *Outcomes* are the observable *changes* that are *linked* to the JCP intervention (household level poverty reduction,

increases in economic activity at the community level, improved quality of life, etc.). To record all of this information, JCP program questionnaires (survey instruments) must be constructed and a *Management Information System* (MIS) must be put in place to systematize the data gathered.

Impact analysis aims to answer a variety of questions that are important from a policy point of view. Projections can be estimated in two main ways: (1) *ex-ante* analysis to gauge, for instance, what might be the demand for participation in such a program (Supply of Labor response through Propensity Score Matching techniques or Heckman selection models) or to estimate orders of magnitude of macroeconomic changes on direct and indirect employment, growth of GDP, changes in tax revenue and fiscal balance, distribution of income and poverty reduction via micro-macro simulations through Social Accounting Matrix/sectoral employment and output multipliers (Antonopoulos et. al. 2010 and Antonopoulos and Kim 2011); or (2) *ex-post* analysis to establish the impact on individuals, households, and communities (using comparisons between the “treatment group” that consists of beneficiaries and a “control group” that has similar characteristics but did not participate in the JCP. See Appendix H). These studies rely on existing data, collected regularly with various national survey instruments, as well as on newly collected information gathered through survey instruments specifically crafted for use by the JCP.

M&E systems require new data collection and a dedicated budget. It is necessary to collect this information and make it available to the public, many interested agencies, civil society organizations, and other interested parties in order to:

- *Ensure transparency and accountability*
- *Provide timely feedback*
- *Facilitate evidence-based public dialogue on policy action*

To set up M&E systems—which is not a costless exercise—data gathering questionnaires must be informed by the set of precise objectives identified by the JCP and also by any additional domains that may be of interest to policy makers, civil society, the beneficiary communities, and academic constituencies with particular interest in policy analysis. The programmatic announcement of the JCP in Greece provides a clear framework and rules of operation, on the basis of which the domains of M&E considerations will be reflected.

What is to be monitored and evaluated differs across countries and Public Service Job Creation Programs. The common element they share is that they stand as a response to

an identifiable challenge of limited job offers (and the income insecurity this creates) and the desire to intervene in remediating market failure. Drawing from international experience, it is clear that the causes and structure of unemployment in each country play a crucial role in influencing the design and targets of the program. The structure of the program will be in concert with identified targets and must be decided early on, which in turn largely determines what is to be monitored and evaluated.

1. **Embedding M&E in the administrative and operational structure.** It needs to be decided whether the proposed program will be set up as a new entity, with its own new and distinct administrative and operational structure, or embedded within an existing structure. In either case, the new program would require identification of the Ministry (or coordination across Ministries) in which the program will operate and the agency that would be responsible for the overall program management. It is advisable that even at the preparatory phase a dedicated “Program *Design* Management Team” be put in place to lend support, including in the setting up of M&E systems. To ensure transparency and accountability a **Management Information System expert** should be assigned the tasks of constructing questionnaires, training and enhancing the capacities of those who will conduct qualitative data gathering, and proposing the M&E system.

2. **Scrutiny of the *process and decisions regarding the implementation strategy.*** The actual monitoring and evaluation, in the most general sense, usually begins with an examination of the design elements of the JCP program itself. Of specific interest are the following issues:

- a. *Selection and registration of beneficiaries; agreement on wages and duration of entitlement.* A consultative process with key stakeholders is advisable; labor union representation as a key partner for setting guidelines on these issues, including selection criteria, is highly advisable; a system of dissemination of information that reaches potential participants must be identified; a computerized information technology system and public access to all information and final rosters of selected beneficiaries is critical for transparency; the selection and registration of beneficiaries can be assigned to the municipal government and/or a non-governmental entity.

- b. *Selection of the range and scope of public works and services to be performed.* One option is through centralized decision making followed by consultations at the regional and municipal level (wider inputs at the community level are advisable). Alternatively, a bottom up approach where municipalities identify the work projects is a possibility. What is important is that the degree of centralization/decentralization of public works and services decisions takes into account local ownership and the identification of what constitute a useful project by elected municipal authorities, local communities, and by beneficiaries enrolled in the job creation program.
- c. *Selection of actual implementation and supervision of works.* The international experience suggests two modalities: the first involves temporary hiring within government sector implementers (national, provincial, and local bodies) responsible for infrastructure, environmental works, and service provisioning. The second involves procurement contracting of either nonprofit organizations, for profit small- and medium-size enterprises, or a combination of both, with selection criteria in place (identification of process and responsible bodies for selection of NGO's and for profit implementers is important; process of monitoring of works performed must be clarified). The second of the two is the most usual modality.
- d. *Devolution of funding and system of payments.* The securing of funding agreements and cash flow mechanisms is usually adapted to national practice. The importance of transparency and accountability has been widely highlighted. To avoid potential corruption and "clientelism," careful and consultative deliberation in advance, drawing from previous domestic lessons learned is highly recommended (notably, the shortcomings of the STAGE program of the previous government can serve as an important cautionary example for requiring clear and transparent funding allocation and disbursement).
- e. *Selection of localities and prioritization of geographic regions.* Selection criteria are a complicated and contested issue and, accordingly, we devote some space to this discussion.

JOB CREATION IN GREECE: Opportunities and Challenges

The remaining portion of this document aims to provide a design framework for a Monitoring and Evaluation (M&E) system for a government planned initiative of *Direct Public Service Job Creation* in Greece. While M&E are often grouped together, the focus here is on the monitoring component, which will set the stage for evaluation in subsequent periods. Sustainability of the planned program will depend greatly on effective delivery of stated goals as well as transparency and accountability to (a) public authorities and responsible implementing entities; (b) participating beneficiaries; and, (c) the citizenry of the country. As with any newly introduced social program, it should be expected that implementation will entail learning-by-doing, and inevitably conflicts and criticisms may arise. Strong measures that ensure timely feedback and transparency and accountability, through clear M&E guidelines and multi-stakeholder participation, will provide the best means to undertake corrective action.

The report aims to aid policy makers and planners in channeling program resources to: (1) the most deserving regions, households, and persons, and (2) data collection methodology that will facilitate accurate and useful monitoring and evaluation systems. To this end, the report is a framework for decisions highlighting the importance of measuring *outputs* (achievement of key objectives) and *outcomes* (additional results beyond the immediate objectives) and the data necessary to conduct scientific evaluation of these end products. One area that occupies an important focus in this document is the creation of a baseline survey, the size and scope of which are necessarily dictated by financial and time constraints. Ideally, an elaborate baseline affords the ability to conduct an in-depth outcome and impact assessment. Yet even with limited time and resources, a small but well-designed baseline can control for many of the same factors as a more extensive survey. There are still, however, minimum levels of analysis necessary to control for program effects. It is in this area that emerging profiles of communities, households, and individuals are necessary features to consider early on in project design and implementation.

A key element, in addition to the implementer selection criteria, is the prioritization for participant inclusion. Table 2 presents an example of such selection criteria for one program in Western Macedonia, where participants are prioritized based on clear criteria and associated score grading.

Table 2: Prioritization Criteria

Criteria	Analysis of criteria	Grading
1. Unemployed persons status	Long term (>12 months)	20
	New unemployed up to 30 years old who is searching for a job	25
	Short term unemployed who is not receiving unemployment benefits	15
	Farmers	10
2. Household situation	Single head household	15
	Married with both parents being unemployed	8
	Living with guardians	5 (For each protected member)
3. Household income (euros)	0.00 to 6,900	15
	6,901 to 12,000	10
	12,001 to 16,000	8
	16,001 to 22,000	6
	22,001 and above	0
4. Health condition	Degree of special assistance/disability needs: 35%- 50%	6
	Degree of special assistance/disability needs: 50% and above	8
5. Residency	Permanent resident of the periphery of the area where the action is going to be conducted	10

Such scoring systems are vital to ensure transparency and preempt criticisms of clientelism. These criteria, alongside the selection criteria of regions and municipalities selected for program funds, should be made publically available; so too should the division of program funds, i.e. whether money for programs is allocated based on the population of qualifying regions or based on an established measure of poverty (and what that measure is). While the criteria for individual participation are largely established in the aforementioned programs, it is important that the criteria for inclusion are uniform across programs.

Should the economy not show employment recovery signs, which is sadly a very strong possibility for the next several years, scaling up of the job creation program may become necessary. In this regard, information stemming from monitoring and evaluation systems will be important in providing useful evidence to inform future public action.

Monitoring and Evaluation: the logical framework

Despite the many experiences of monitoring and evaluation (M&E) systems of widely implemented social programs, there does not exist *one* particular framework for public works and direct job creation programs. A “logical framework,” such as the one shown below serves the purpose of clarifying the key elements of a program, providing a clear delineation of the contours of *inputs*, *outputs*, *activities* and *outcomes*, their monitoring and evaluation, and potential domains of impact analysis (ILO 2007 and 2010):

Inputs	Inputs are the initial set of information and investments and resources, including selection of participants, implementing and supervisory staff, etc. required to implement the program. These resources will be reflected in the program budget.
Activities	Activities describe the steps that transform inputs into effective outputs. Examples include: undertaking training, organizing project worksites, validation of project identification, community consultations, registered beneficiary feedback, baseline data collection, etc.
Outputs (major program objectives, i.e., created jobs)	Outputs is a term that describes the main objectives the program is expected to deliver; these are under the direct control of program management; with inputs (resources) and activities well monitored, “output” monitoring provided in the program budget. The production of outputs, in this case, includes: direct employment creation, physical infrastructure, environmental or community services, and perhaps new skills creation.
Outcomes (observed socioeconomic changes, i.e., poverty reduction)	Outcomes are defined as immediate and medium-term effects of program outputs. They are observable achievements that can be linked to project interventions. In the case of JCP they may include the following objective and subjective changes: increased household income and ability to meet basic expenses, improved sense of self-worth, greater utilization of community assets such as parks and recreational facilities, reduction of domestic care activities for women due to support for eldercare or childcare, community cohesion among youth and expressed satisfaction due to skill enhancement, and reduction of instances of homelessness due to eviction.
Impact Analysis (technical analysis between ‘impact’ and ‘control’ group i.e., lower indebtedness due to participation in the JCP)	Impact is defined as the positive and negative effects specifically accounted for by the JCP intervention. <i>Impact</i> is the result that links the initiative directly to outcomes. Hence the need for baseline data that allow for impact analysis on individuals, households, and communities, recognizing that the project will likely achieve such outcomes. The database will include all information tracked under outputs and outcomes, but will also require additional information gathered through tailored questionnaires that must be administered periodically.

While the initiative in Greece was introduced as a crisis mitigation measure, some of the projects are similar in nature to tasks in the permanent ELR programs of other nations. Table 3 highlights some examples of projects from one particular program in the municipality of Aristoteli.

TABLE 3 - Examples of Aristoteli sub-projects	Budget (in euros)
Protecting forests from floods and fires, shrub clearing, drainage	49,218.75
Creating and taking care of Greening projects, planting, irrigation, parks	26,250.00
Cleaning public buildings and spaces, parks, squares and historic areas	39,375.00
Projects for maintaining infrastructure	49,218.75
Implementation of small construction projects for public infrastructure	78,750.00
Maintenance and renovation of the public road network	32,812.50
Maintenance of areas of cultural heritage (monuments, etc.)	39,375.00
Promotion of cultural heritage/ Providing information and tours for visitors	26,250.00
Provision of life guard services, beach area programs	16,406.25
Maintenance and renovation of athletic complexes	36,093.75
Serving the public and providing managerial support and services, skilled and semi-skilled job creation and training	65,625.00

Recalling the logical framework outlined earlier, the projects listed above encompass the *inputs* and *activities* that lead to *outputs*. With such projects in mind, one can envision the types of indicators useful in tracking the aforementioned projects. The next section discusses the identified outputs and outcomes, as well as the needed indicators for measurement.

OUTPUTS

In developing a monitoring system and data collection questionnaires, clear **indicators of outputs** (i.e., objectives of the program) and means of measurement should be determined for each output. Possible indicators and their corresponding means of data verification include:

Table 4 - SAMPLE OUTPUTS & INDICATORS: Means of Verification

Expected Output	Indicator	Means of Verification
Objective 1 - Employment created through JCP.	1.1 Workdays of employment broken down by categories of labor (skilled, unskilled, supervisory). 1.2 Workdays and ratios of female and youth participation	1.1 – 1.2 Worker timesheets reconciled with program technical forms integrated into the program MIS
Objective 2 - Community and social services rendered (e.g., care giving services, educational assistance, public health peer counseling, community security services, etc.).	2.1 Hours of social services rendered. 2.2 Number of persons served by age and gender. 2.3 Decreased time spent in provisioning of services by unpaid work.	2.1 Signed time sheets entered by program personnel on a weekly basis as part of the program’s MIS. 2.2– 2.3 Brief monthly household survey and by gender and age.
Objective 3 - Community assets (e.g., community buildings, local market improvements, environmental restoration works, etc.).	3.1 Units of quality infrastructure, environmental and community improvements put in place. 3.2 Unit costs of infrastructure / improvements which are comparable to that of similar assets produced outside the program. 3.3 Infrastructure produced with labor-intensive methods.	3.1 – 3.3 Technical documentation prepared by local technical services as part of a MIS certifying completion of work and documenting unit costs and ratio of labor to total costs.
Objective 4 - Training and capacity building delivered to program beneficiaries through seminars and workshops and on-the-job training.	4.1 Workdays of technical and community organizational training delivered through workshops and seminars. 4.2 Workdays of on-the-job training delivered through program activities in production of assets and social services.	4.1 – 4.2 Training timesheets produced as part of the program MIS.

While identifying indicators and establishing means of verification is relatively straightforward for **outputs**, it is more complicated for **outcomes** due to confounding factors. In short, to claim that the positive outputs and outcomes are the result of JCP we must invest in a well-constructed baseline to isolate effects on it. We shall return to this topic in greater detail in future discussions of evaluation, but it is important to keep it in mind as we identify program-specific outputs and outcomes.

OUTCOMES

Knowing that not all outcomes can be identified in advance of program implementation, it is still an important exercise to postulate outcomes and specify areas of interest for evaluation in the future. Throughout the process of implementation issues of interest will emerge, which should not deter the administrators, as measures can be supplemented to analyze issues of interest that were not flagged during the early stages of the program. Nonetheless,

the more that is deemed worthy of investigation at the onset, the stronger our ability to isolate the program’s impact on these areas with strong statistical confidence.

Table 5 - SAMPLE OUTCOMES & INDICATORS: Means of Verification

Expected Outcome	Indicator	Means of Verification
Outcome 1 - Household Impacts: <i>Reduction in household income/poverty; -Increased ability to meet basic household needs, i.e., pay rental and utility fees</i>	1.1 Decreased headcount poverty and depth of poverty in households. 1.2 Disposable income trends. 1.3 Composition of consumption (i.e. percentage of income devoted to primary products, rent, utilities and other basic goods).	1.1 Household surveys. 1.2 – 1.3 Expenditure surveys and focus group interviews with participants. 1.4 Periodically administered short hh/individual questionnaire instrument
Outcome 2 – Individual impacts: <i>Increase LF participation; Reduction in indebtedness</i>	2.1 Lowered rates of unemployment and underemployment. 2.2 Increased localized demand for labor in the area. Personal indebtedness levels.	2.1 – 2.2 Baseline survey supplemented by household and enterprise surveys 2.3 Data on household debt or savings
Outcome 3 – Community Impacts: <i>Reduction in crime incidence; Increased use of public spaces and services; Revival of small businesses</i>	3.1 Crime incidence ; utilization rates of public spaces; perceptions in the community about crime and usefulness of projects for quality 3.2 Increased number of micro- small and medium enterprises operational in program 3.3 Increased profitability of MSMEs in the area	3.1 Community surveys organized by the project management team. 3.2 – 3.3 Enterprise surveys.
Outcome 4 – Qualitative impacts on individuals: <i>Feelings of renewed sense of self-worth; Changes in women’s lives due to increased participation in paid work;</i>	4.1 Indicators of self-esteem/self worth 4.2 Level of happiness (satisfaction with life) 4.3 Decreased time spent on unpaid labor by women	4.1 – 4.2 Focus group surveys or Periodic participant short questionnaire instrument 4.3 Short schedule on time use as a component of Labor Survey instruments.

Table 4 and Table 5 highlight some of the measurements necessary for M&E in the proposed JCP. It is clear from even cursory discussion that isolating the impacts of the program is a key aspect of evaluating output and, especially, outcomes. To facilitate isolating project and program impacts, the following section outlines in greater detail methods of data collection and the subsequent impact analysis.

Monitoring Outputs and Outcomes

The monitoring system requires:

- Identification of needed information to track outputs and outcomes.
- Indicators to track pre-identified outputs and projected outcomes.
- Method of collecting the needed indicators' information (means of verification, i.e., time sheets, costing schedules etc.).
- An effective and transparent Management Information System (MIS) to be used by managers, municipal authorities, beneficiaries to input information as needed.

Data Collection and Impact Assessment Analysis

A thorough evaluation of a typical public service program must include both monitoring and evaluation processes but also quantitative and qualitative impact evaluation. Impact indicators of the program can be assessed, for example, by investigating a variety of possible outcomes of the program based on individuals, households, and communities or regions (Del Ninno et. al. 2009):

- i. Impact on direct and stated program objectives: a) gender equitable distribution of job creation, b) income support, c) creation of new “assets.”
- ii. Impact on indirect socioeconomic implications: reducing brain-drain, narrowing wage gaps of youths vis-à-vis other EU nations, increasing labor participation of women and youths in the program above national averages, creating new skills.
- iii. Impact on community level wellbeing: access to better services, increase in productivity, strengthening links to other markets outside the community, reduction in depth of poverty at the household and community level.
- iv. Impact on female and youth empowerment: enhancing self-esteem, decision making, and position in the community.

As mentioned, M&E processes require both quantitative and qualitative data collection. Quantitative data can be collected through designing different survey instruments:

1. Management Information System (MIS) registry instrument.
2. Applicants' survey instrument to provide information on the eligibility and participation in the program.
3. Baseline survey at the individual, household, and the community level to provide information on the profile of the participants and non-participants at the local level.
4. Longitudinal household survey instruments to obtain similar information in household surveys to follow up the longer-term impact of the program on participants, households, and the community.

For qualitative data collection other types of techniques and instruments should be used so as to explore perceptions of individuals and communities with respect to program implementation and outcomes. Such data collection techniques include key informant interviews, direct observation, focus group (or community group) discussions, and in-depth interviews with individuals and communities.

MIS registry instrument

The MIS registry instrument can collect information on:

- i. Institutional arrangements (registering, financing and implementing agency information).
- ii. Number of program staff at the local level, information on budget allocations, and administration.
- iii. Number of work programs and financial allocation by type (of work program) and by community.
- iv. Program description.
- v. Information on decision rules through which beneficiary selection was made, for each program.
- vi. Outcome indicators (for example, number of children served, actual kilometers of sewer lines or roads built).
- vii. Cost of managerial staff (wage rate and number), cost of non-labor inputs.
- viii. Wages paid to the participants per day (broken down by sex).
- ix. Total number of the participants and key demographic and individual characteristics of the participants.
- x. Process and average time devoted to select programs.
- xi. Number of total programs per month by each community.
- xii. Number of supervision/audit visits per month, etc.

Applicants' Survey Instrument

Collection of information on participants' characteristics should be compiled from the application forms of all individuals applying for the program. Applicants will consist of eligible and non-eligible individuals. Among them, a group of individuals who are eligible will register for the program; some individuals, although eligible, will not participate in the program, and yet another group will comprise the non-eligible applicants. Collecting information will de facto provide a "control" group against which the "treatment" group (participating beneficiaries) can be compared, allowing for greater statistical precision when performing evaluation and impact program analysis. (This data can also include some of the administrative information listed above under MIS registry survey.) In addition to the

demographic and socioeconomic characteristics of the applicants, application forms can provide complementary information to be used in process evaluation of the program.

Example questions include information on:

- i. How applicant heard about the program (e.g. church, friends, radio).
- ii. The place where they applied (ex. local office description).
- iii. Whether the application form is easy to understand.
- iv. Length of application process.
- v. Satisfaction with staff who provide help in the registration process, including if applicants were treated with dignity, respect, etc.

Baseline Survey Instrument

In order to evaluate and understand the impact of the program on selected indicators, it is important to investigate the characteristics of the communities selected and the participants of the program before the launch of the program. Information on different characteristics of the individuals and households participating in the program will also help to see whether the individuals involved are the targeted group.

A descriptive analysis of the characteristics of the individuals and households participating in the program provides the groundwork for the evaluation and impact assessment. For binary variables, tabulations of the percentages of the relevant populations with various characteristics can be provided. For continuous variables such as duration of paid/unpaid work, means, medians, and frequency distributions can be tabulated. Note that quality of the data matters a great deal in the performance of impact estimators and in order to reduce bias in the analysis (Blomquist 2003; Heckman et. al. 1996; and Heckman et. al. 1999). The methodological issues surrounding the municipalities or communities of interest and constructing a comparison group is treated in greater detail in Appendix H.

Longitudinal Household Survey Instrument

National household survey instruments can be used for the data required to provide a longer-term impact evaluation of the program. Decisions as to whether to conduct the survey at the national level through a selected sampling strategy might be a crucial issue here. The definition of population is based on choosing a sampling strategy: (a) a census, (b) a judgment sample, (c) a statistical sample; whether to draw conclusions about the population of all communities or selected communities, and whether to include additional criteria, are important decisions in the process of defining the sampling unit and developing a sampling frame. Note that the

decision would depend not only on the evaluation objective but also on factors such as cost, precision, and the feasibility of drawing certain samples. A census is more appropriate when the individual items in the population are very important in themselves and the population is small enough to survey all the units within their resources. The population may be so small that sampling is not needed. A judgment sample is more appropriate in a case study approach that needs case study evaluations. A statistical sampling is appropriate when the objective is to draw conclusions about a population and when a sampling frame can be developed, which is based on the widely accepted theory of probability, because the sample is scientifically selected. The issue of determining the type of statistical sampling method then follows: (a) simple random sampling, (b) stratified sampling, (c) cluster sampling, (d) discovery sampling, or (e) acceptance sampling.

IMPLEMENTATION OF THE BASELINE SURVEY

One of the first activities to be undertaken, which can be seen as one of the early program implementation activities, is the preparation of a baseline survey, which provides the basis for future evaluations of impact with respect to the program's immediate and long-term objectives. Such baseline surveys can also be useful in further refining the program's work plan.

Thus far we have dealt mainly with the individual. In reality, we must consider the household, the community, and the macroeconomic picture. To do this we need profiles (i.e. short-form surveys) of the individual, household, municipality, or community. From these profiles we can construct our baseline for impact assessment. To isolate the impacts of the program, even unintended impacts, requires a well-structured baseline that considers—at a minimum—these three levels of analysis. The specific structure of questions, in practice, depends on the stated objectives and areas of interest for assessment.

Following the selection of targeted communities (which are often based on regional rankings for poverty, unemployment, and inactivity rates), key profiles must be constructed. Most often this takes the form of household comparisons and surveys that establish baselines. Ideally, this analysis will also extend to the individual.

In the case of Greece a short-form household baseline would consider these following areas:

HOUSEHOLD PROFILE

1. DEMOGRAPHIC CHARACTERISTICS

- Region of household and whether residence is rural or urban.

- Household size and composition: age, gender, children, members with disability.
- Dependency ratio (employed persons/total household size)
- Education level of household members (female/male)
- Social support received by various cash transfer and other support programs
- Current household income-expenditure pattern in comparison to before the crisis

2. HOUSEHOLD PARTICIPATION IN MARKET AND NON-MARKET PRODUCTIVE ACTIVITIES

- Identify the importance of each for the household, i.e., number of household members involved in any of the economic activities below:
 - Agriculture
 - Construction
 - Manufacturing
 - Services: households and government
 - Tourism
 - Retail and wholesale
 - Food preparation, care of children, elderly, disabled persons

The last point is particularly important in Greece, due to the frequent presence of extended family members and the limited reach and quality of public day care creating the need for household members to provide childcare. This information can be calculated from household members' "individual profile" below. Alternatively, questions can be asked as to the importance and ranking of these activities in the household.

3. HOUSEHOLD INCOME

- Identify the total amount and the sources of household income; time spent to procure that income; predictability and frequency of receipt of income over the calendar year:
 - Money from family members outside
 - Money from business activities
 - Salaries and wages received
 - Cash transfers (*Specify program and amount(s) received*)

4. HOUSEHOLD ASSETS AND DEBTS

- Land (owned, form of access to land, leased, etc.)
- Means of transportation, if any
- Ownership of house/apartment
- Savings, and in what form
- Debts and monthly interest burden

The above survey can be supplemented by including municipality or community and/or individual-related questions (i.e. what types are services are needed and absent/insufficient for your municipality?).

CLOSING REMARKS

There is no economic policy more important than employment creation. The private sector plays an invaluable and dynamic role in creating employment, but during a recession it cannot ensure enough jobs to speed up recovery or keep up with population growth. But there is an alternative: a job guarantee through a government-provided “employer-of-last-resort” program offering a job to anyone who is ready, willing, and able to work at the mandated minimum wage plus legislative benefits. Over the course of the business cycle, and especially now in a period of imposed austerity, we leave thousands of people idle in the belief that this makes political, economic, and social sense. It does not, of course. The benefits of employment include: production of goods, services, and income; on the job training and skill development; poverty alleviation; community building and social networking; social, political, and economic stability; and social multipliers (positive feedback and reinforcing dynamics that create a virtuous cycle of socioeconomic benefits). Since consumption is the largest component of macroeconomic expenditure, a full employment economy is bound to expand, whereas an economy aiming at accelerating growth through policies that induce capital-intensive private investment not only may not grow, but may also increase instability and income inequality. A job guarantee program would restore the government’s commitment to employment, knowing that the total impact would exceed its cost. The program does not have to be limited or restricted to any particular group of the population, based on gender, age, education, or experience. It can operate like a buffer stock: in an expansion private sector employers will hire workers out of the program while in a recession the welfare safety net will allow those who lost their jobs to preserve good habits, keeping them work-ready. It may also assist those unable to obtain work outside the program to enhance their employability through training. The work records of all participants will be made available to potential employers. Unemployment offices will become employment offices instead; matching workers with jobs that suit them and helping employers recruit them out of the program. Regions, municipalities, and registered nonprofit institutions can propose projects and services. Proposals will be submitted to regional offices of the Labor and Social Protection Department or to other more appropriate government agencies. These offices will maintain a website providing details on all pending, approved, and ongoing projects, and final reports will be published after projects are completed.

All participants in the job guarantee program will be subject to all established rules, and violations will lead to dismissal. Anyone who is dismissed, perhaps, twice within a year's period will be ineligible to participate in the program. Workers will be allowed to organize through labor unions. All participants will use their tax identification number (**ΑΦΜ**) and have a bank account in which their wages will be paid.

One of the key components in designing, costing, and modeling ELR programs is the wage rate. Minimum wages in Greece are set by collective labor agreements (EGSSEs - National Collective Labor Agreements) and differ for blue and white-collar workers. The daily rate for blue-collar workers is 33.04 euros and was set to increase 1.6 percent in the third quarter of 2011 to 33.57 euros. Salaried employees, on the other hand, have monthly minimum wages, currently at 739.56 euros (approximately 37 euros per day). This wage was also set to increase in the third quarter of 2011 to 751.40 euros. These revised rates, however, have been frozen in accordance with IMF austerity measures in which the government and social partners agreed that the minimum wage would be frozen until summer 2012 and then increase in line with expected euro-area inflation (a 1.5 percent increase in July 2012 and 1.7 percent in July 2012). It is important to note that prior to said agreements, employers in Greece, Spain, and Portugal paid 14 salaries a year (i.e. twelve months plus two "bonus" months). For 2009 minimum wages in Greece, that translated to 818 euros per month (in a twelve month base), which is substantially higher than the reported 681 euros per month minimum (INE-GSEE 2010).

On the basis of these levels, modeling can assess the labor impacts and socio-demographics of the targeted workers. Furthermore, by adjusting wage levels around the minimum wage, one can analyze household or individual impacts of the intervention. In addition, through the labor-supply response, assessments of the impacts of such a program on unemployment and labor participation can be determined. The next phase in this project is to model such a program, based on the findings contained herein and the input and aims of subsequent meetings.

Full employment is a necessary ingredient for equitable growth outcomes. An effectively designed employment guarantee program can provide a universally accessible social safety net, while contributing to social and economic development goals. Recently, people such as Bill Gross, co-founder of PIMCO, and Robert Reich, former Labor Secretary under President Clinton's administration, have publically endorsed EGPs. Such a program need not come at the expense of other social transfers or infrastructure investment. To put the economy on an equitable growth path there must be adequate education, healthcare, and social grants available to mitigate poverty and improve the quality of life of the working poor.

As a final word, we should be reminded that when work disappears, it weakens and destroys the human condition by decreasing human and social capital, increasing poverty, disempowering disenfranchised women even further, and ensuring social exclusion (Sen 1999). An employer-of-last-resort policy is likely to reverse these effects.

Measuring progress in attaining the program's objectives depends on the definition of precise indicators of achievement which can be evaluated on the basis of data collected directly by program management through its MIS, through national and regional statistics collected on an ongoing basis by government departments, or by surveys undertaken directly by personnel or institutions hired or contracted for this purpose. Whereas evaluators may use data collected by program management, the evaluation process should be independent from program management as well as from those responsible for the design and formulation of the program. It is the design and implementation of evaluations that will occupy the focus of the next part of this project. In defining indicators of achievement, care should be taken to ensure in each case that the means of verification (i.e. the source of required information) exist, or that arrangements are made for their collection. Data should be collected on the basis of simple questionnaires. Care will be taken not to "overdesign" the survey and collect data that will not be exploited.

Participation of beneficiaries

To the greatest extent possible, data collection and consolidation will be undertaken as a dedicated activity by local beneficiaries specially recruited for that purpose. Furthermore, monthly reports on achievement of outputs should be shared during meetings with local communities, including gender and youth disaggregated focus groups, and with local authorities. This will ensure timely feedback and correct for any discrepancies between perceived achievements and progress on the part of the beneficiary community and that of program management.

Reporting and oversight of program management

The Program Management teams should provide periodic progress reports to ascertain progress and take corrective action if necessary. As unintended outcomes begin to emerge that warrant impact assessment, focus group surveys and other specific questionnaires can fill the gaps in assessment, provided a comprehensive baseline was undertaken. For qualitative data collection, other types of techniques and instruments should be used so as to explore perception of individuals and communities with respect to program implementation and outcomes. Such data collection techniques include key informant

interviews, direct observation, and focus group (or community group) discussions and in-depth interviews with individuals and communities.

Acknowledging that there is a “learning by doing” component to any project of this nature helps to underscore the need for strong investments in monitoring and evaluation; this investment must also extend to include the data collection instruments that strengthen said analysis. One of the challenges in creating specific instruments is the inevitable tradeoff between the necessary speed that the JCP program needs to come to fruition and the importance of in-depth capacity building for M&E and data collection. Unlike the STAGE program, however, the current efforts are already less vulnerable to the nepotism that plagued STAGE, as the selection criteria are clear and transparent in ranking each program participant. Furthermore, establishing task-centric programs offers benefits to communities over and above the “workfare” that characterized earlier programs. With proper selection criteria and care taken in designing monitoring means, the JCP can be honed to reflect the desired outputs and outcomes.

Many of the popular criticisms of direct job creation cast such programs as inflationary, market distorting, and/or prone to clientelism. With proper design and transparency, however, the theoretical pillars of ELR can offer potent and practical benefits through Employment Guarantee Programs. As a practical version of such EGPs, the JCP in Greece has the potential to deliver targeted income creation and poverty relief. Ensuring the development and continued improvement of the JCP will offer a crisis mitigation lifeline to families in need. In the face of an engineered Greek Depression and an eroded social safety net, such ameliorating programs warrant broad-based buy in and expansion.

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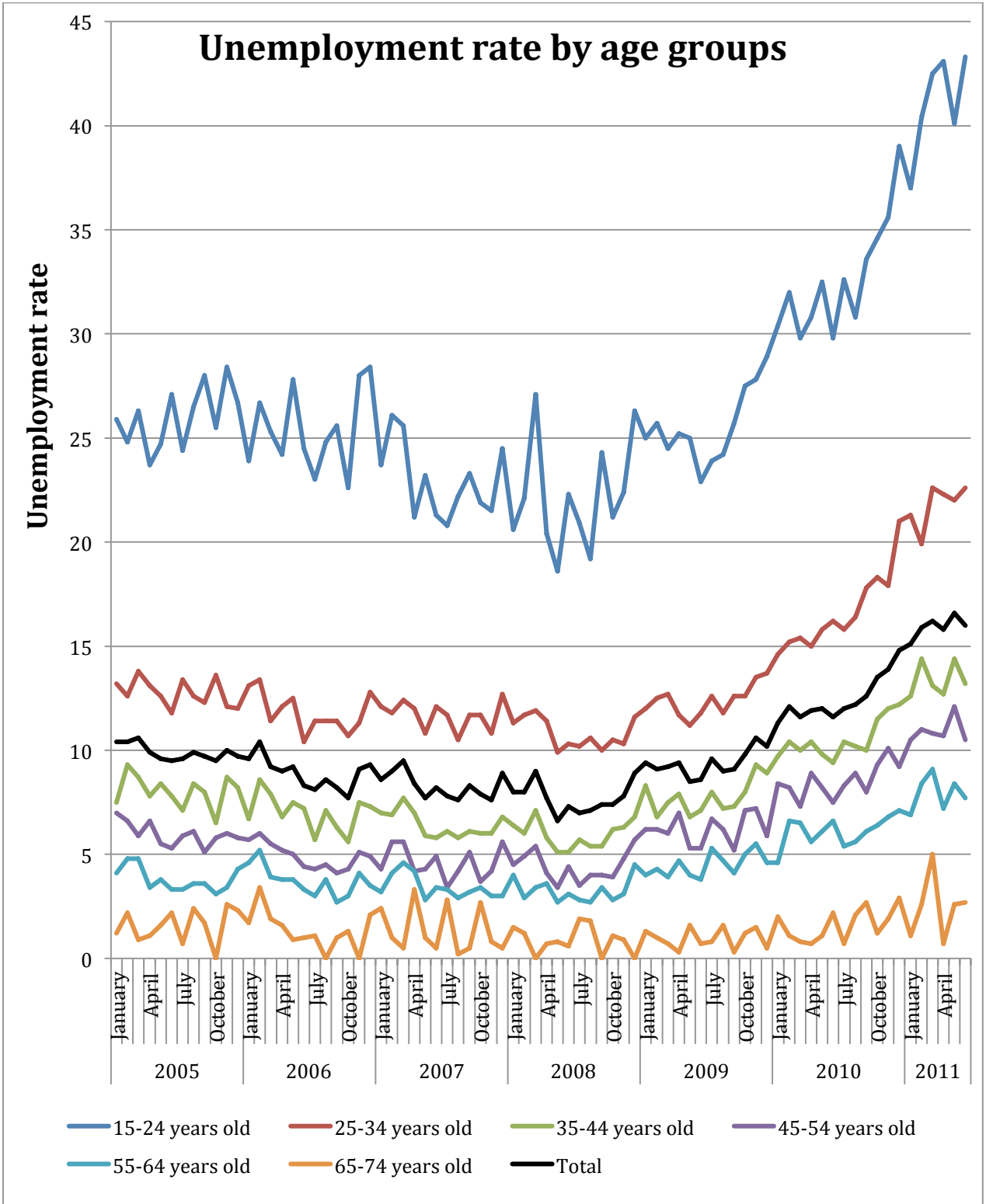
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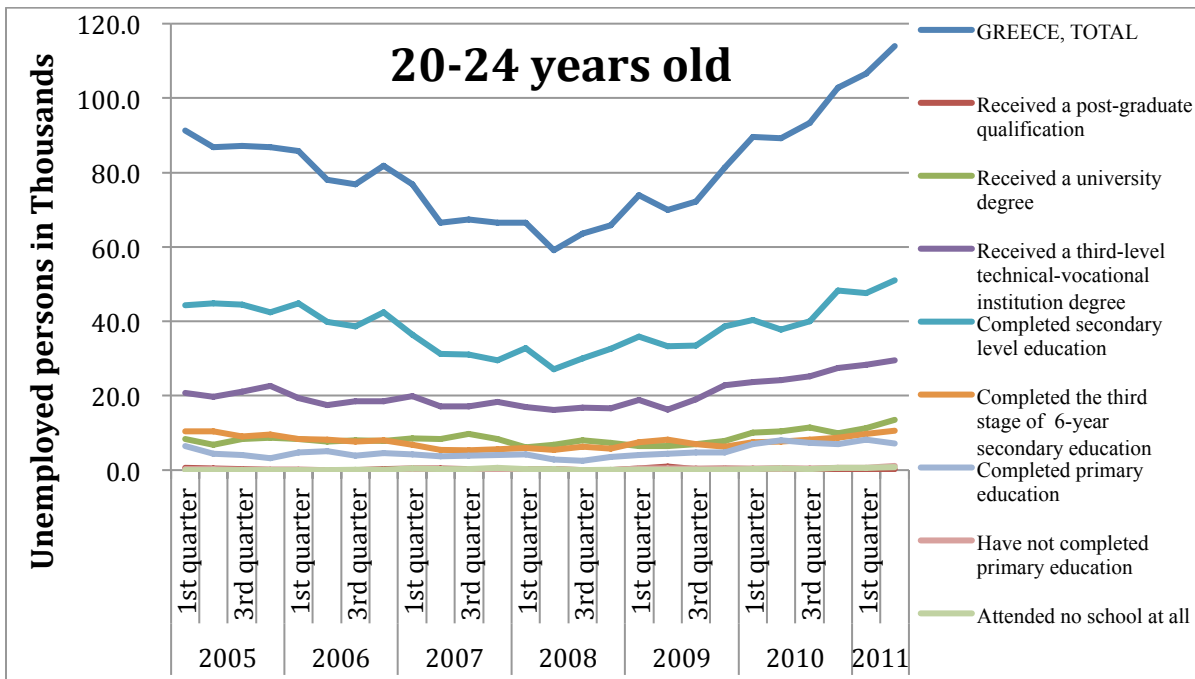
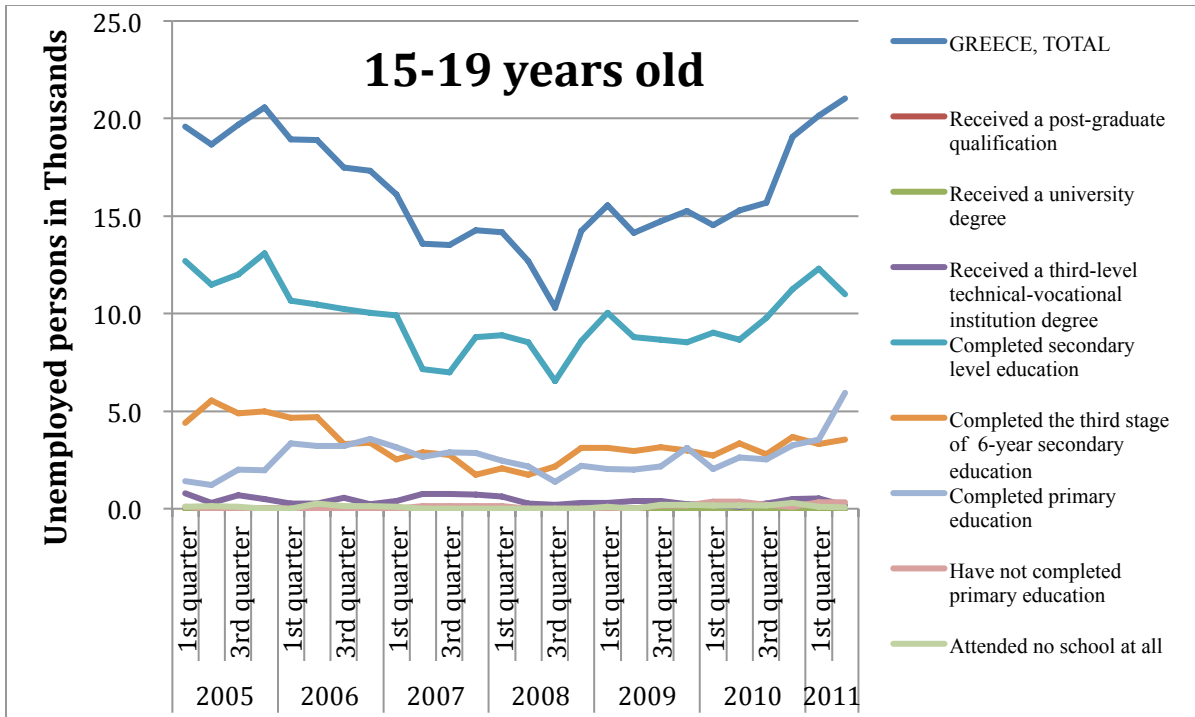
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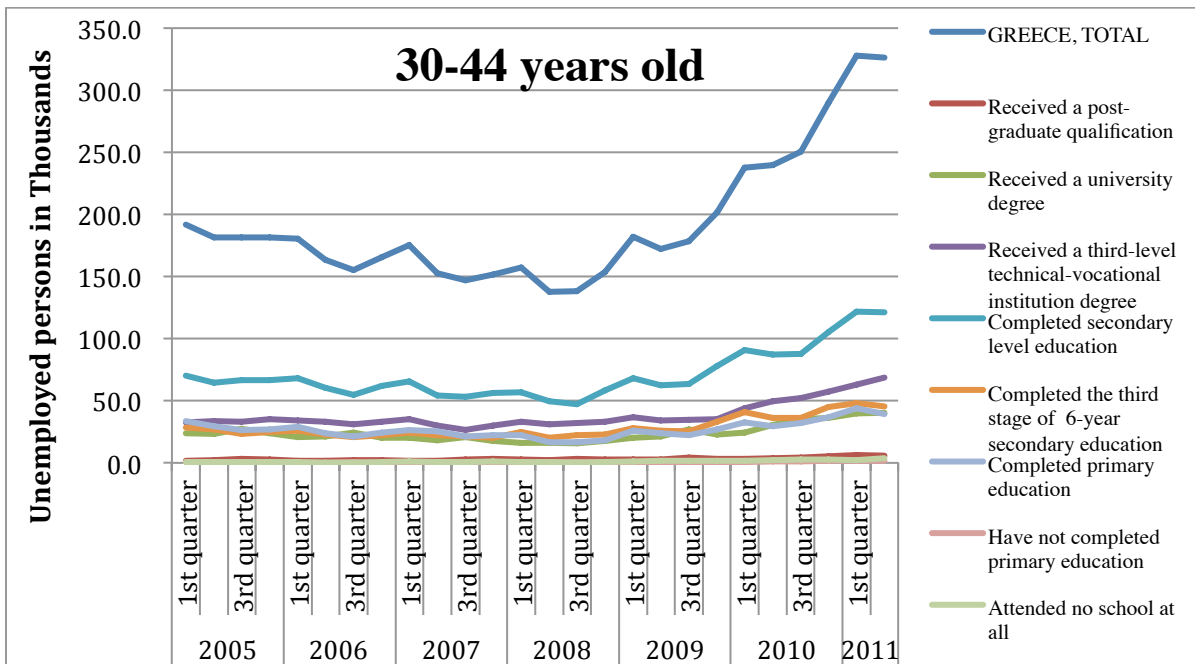
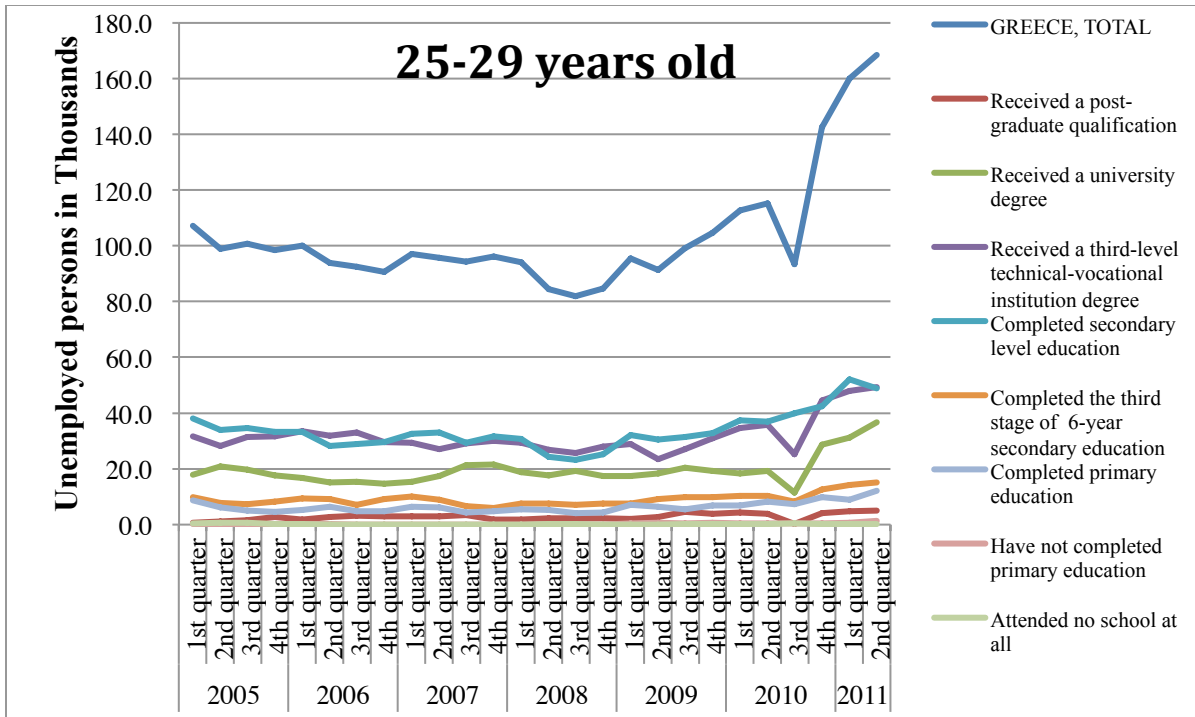
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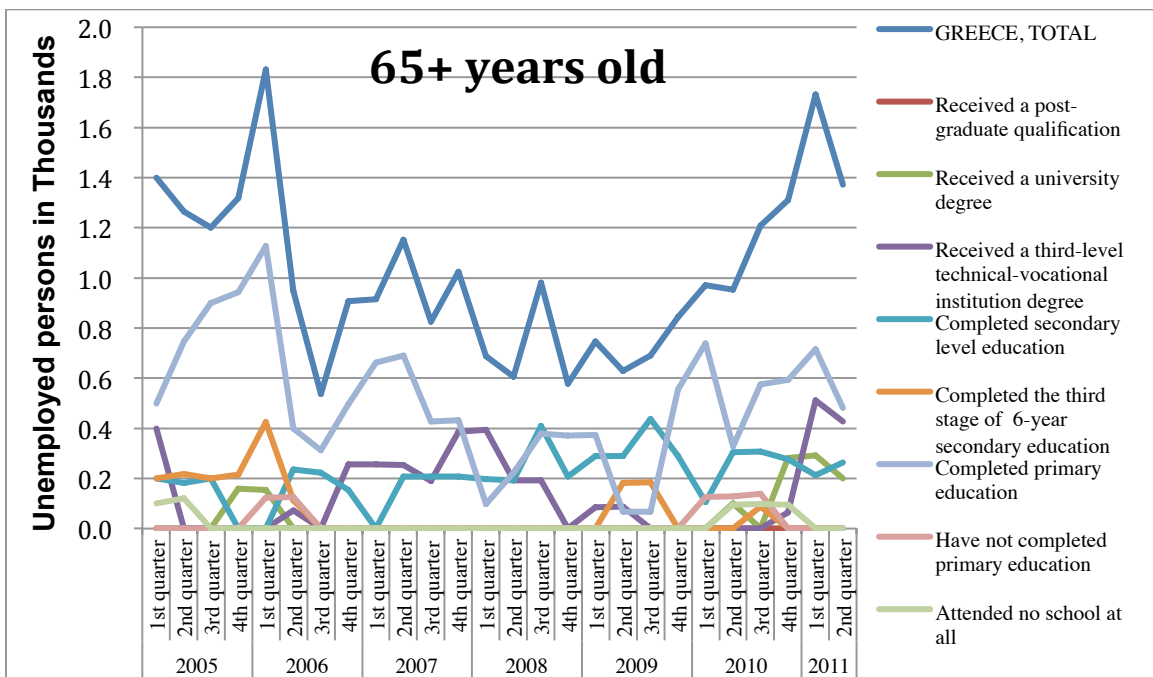
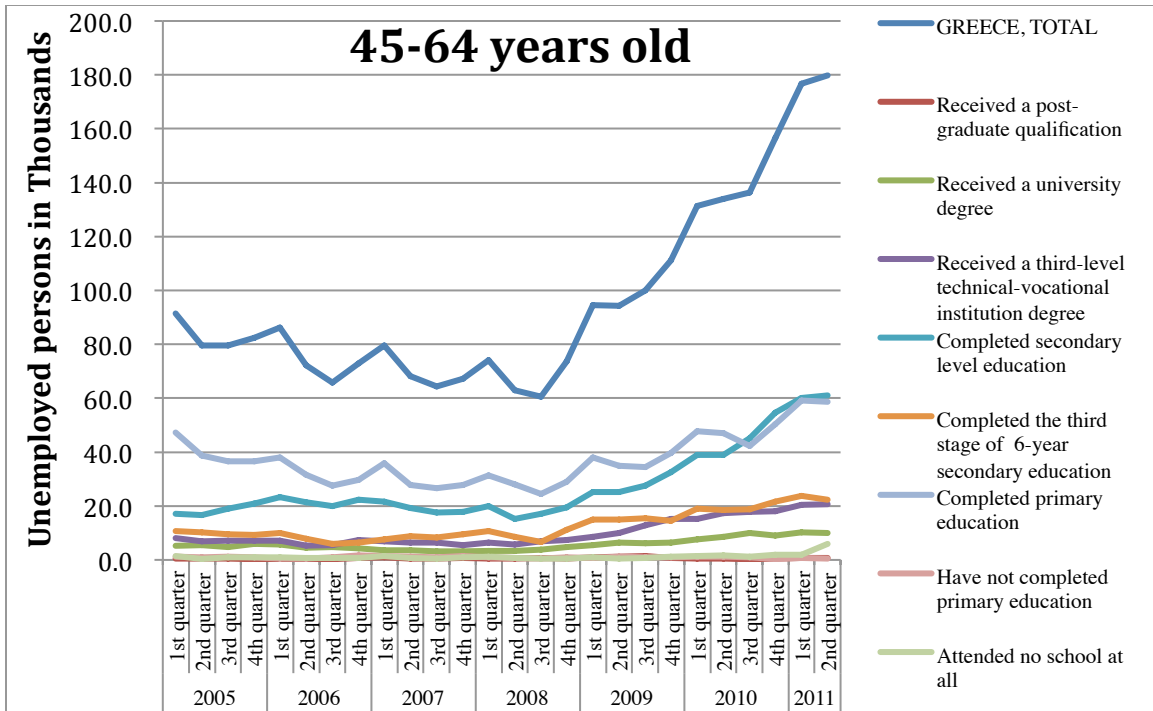
APPENDIX A – Age & Skill Disparities Among the Unemployed (July 2011).

All figures are from the Hellenic Statistical Agency (EL-STAT)





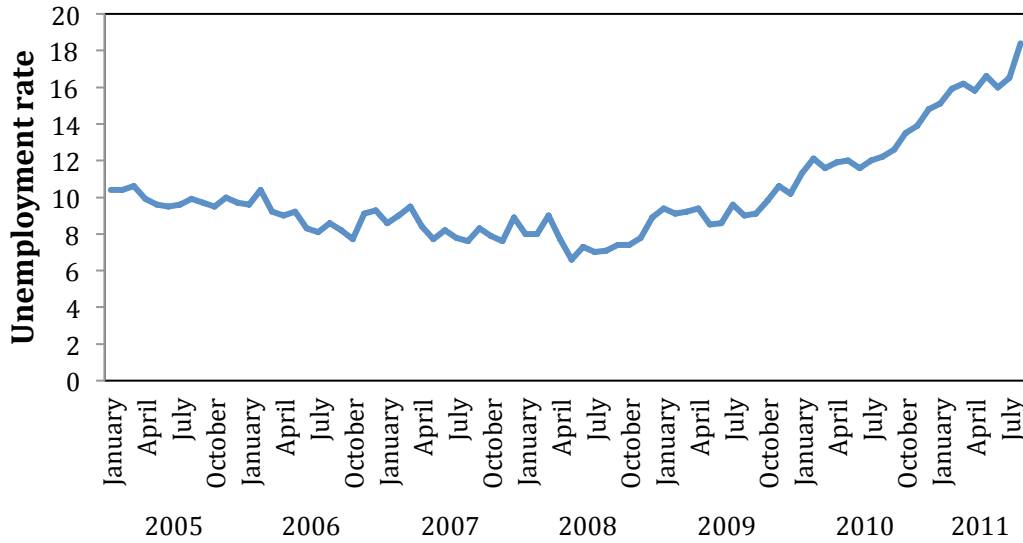




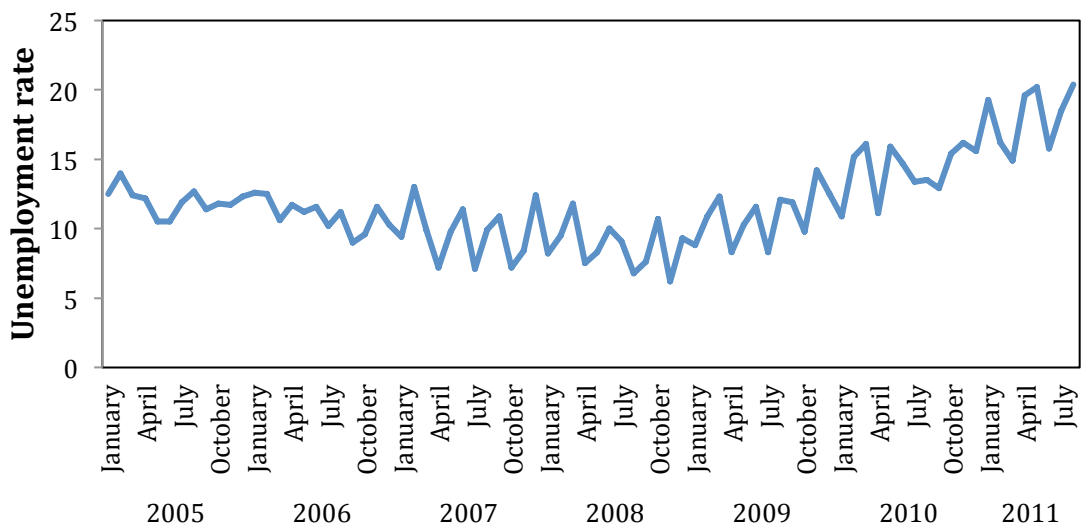
APPENDIX B – Regional Disparities in Unemployment Rates (July 2011).

All figures are from the Hellenic Statistical Agency (EL-STAT)

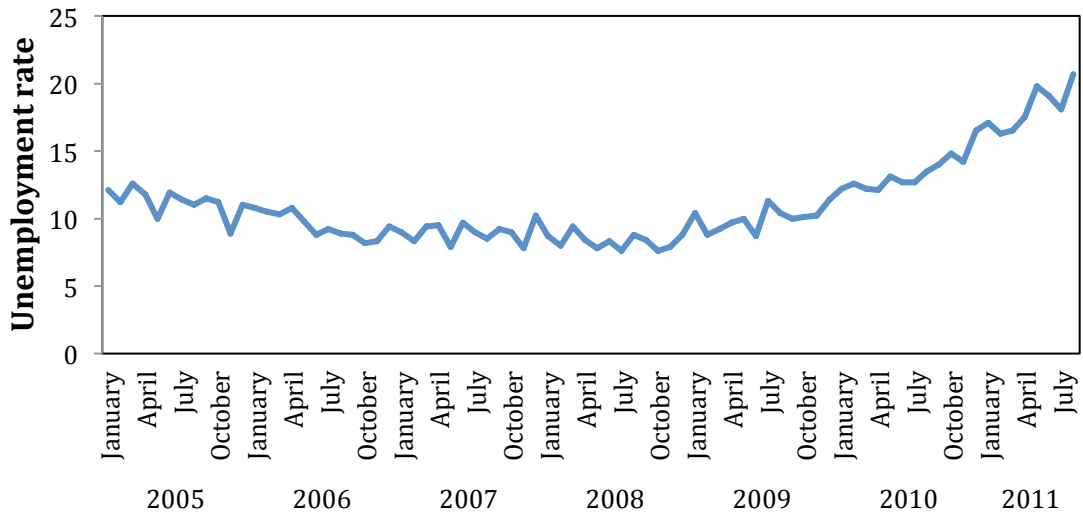
Total Country



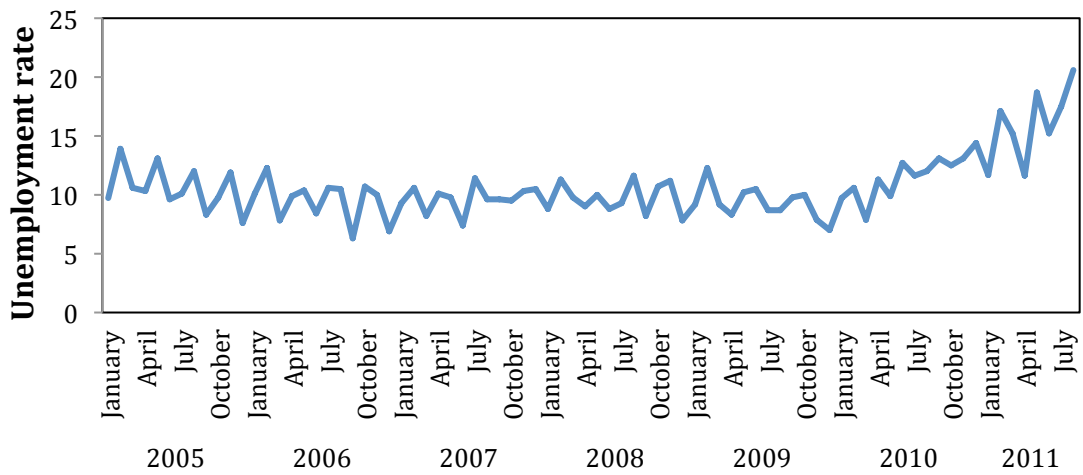
East Macedonia and Thrace



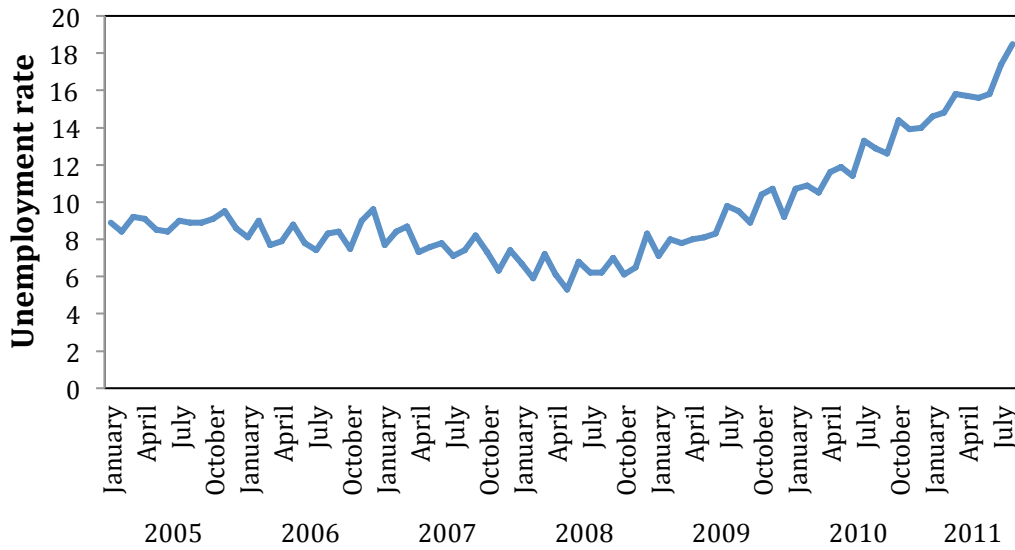
Central Macedonia



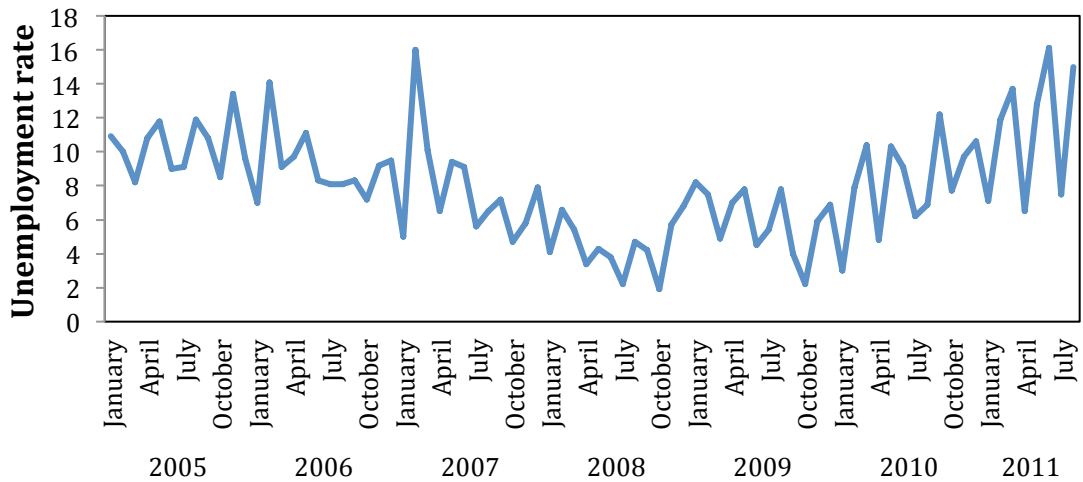
West Greece



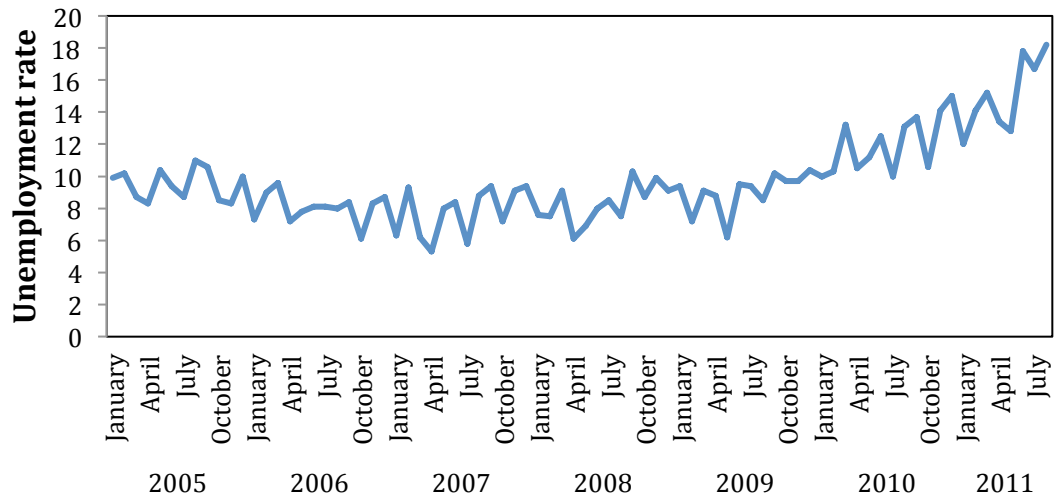
Attica



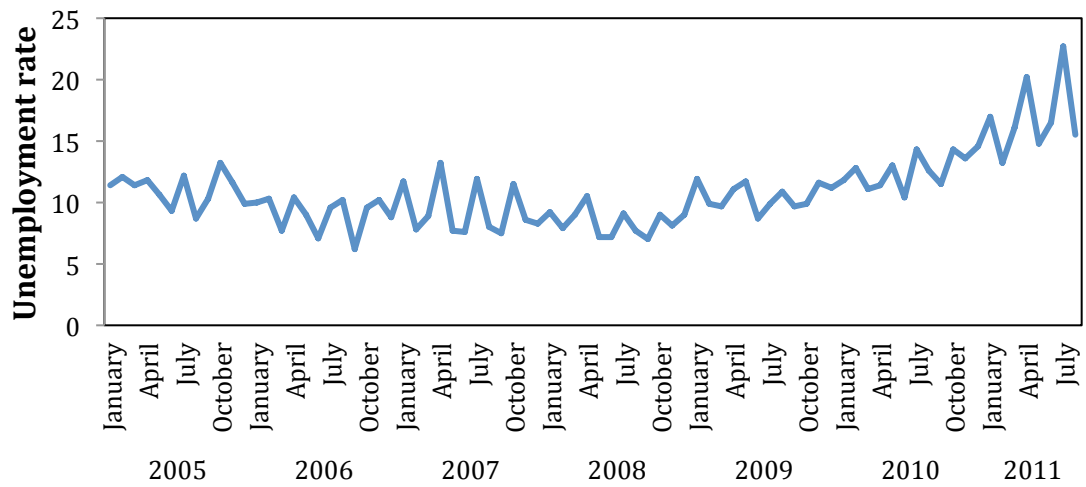
North Aegean



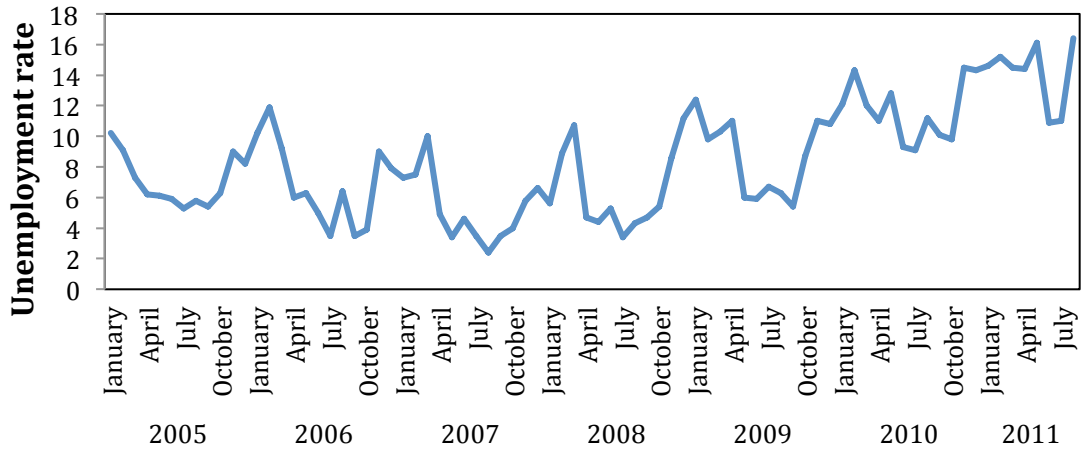
Thessaly



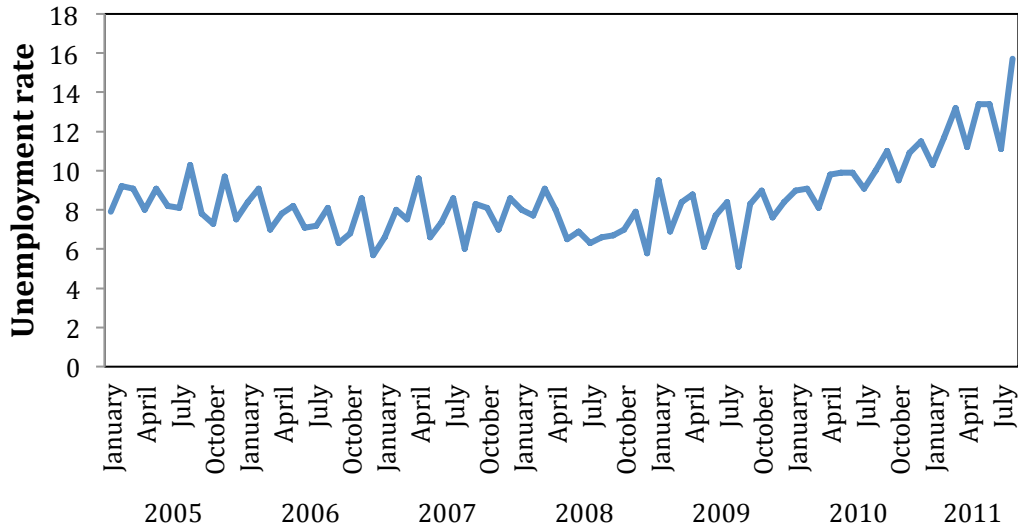
Stereia Ellas



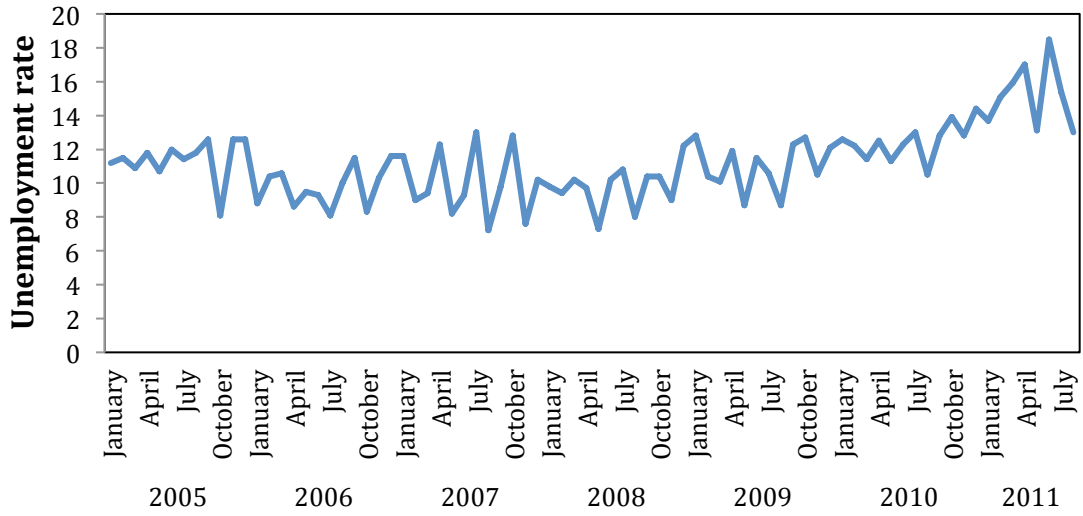
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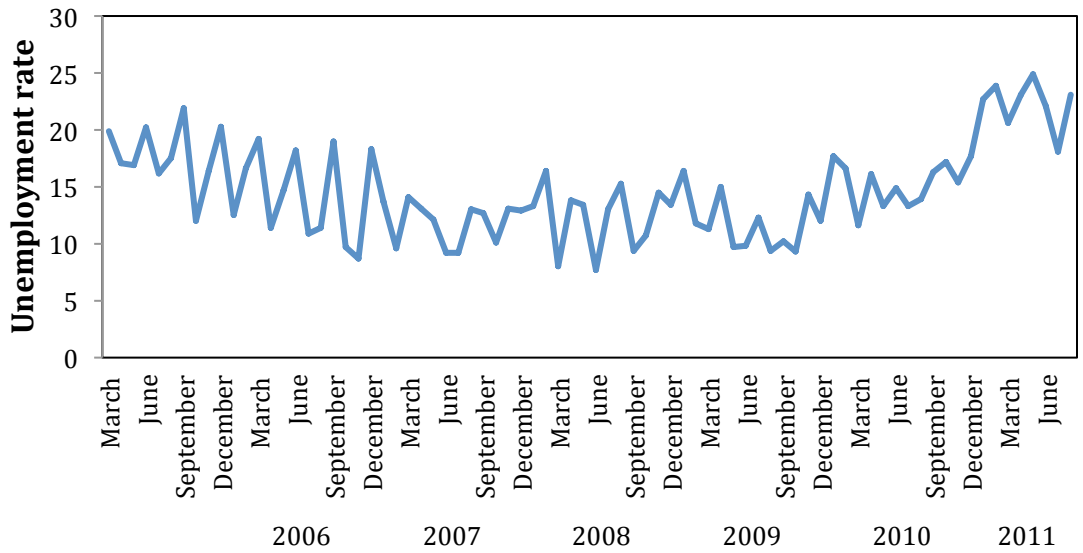
Peloponnese



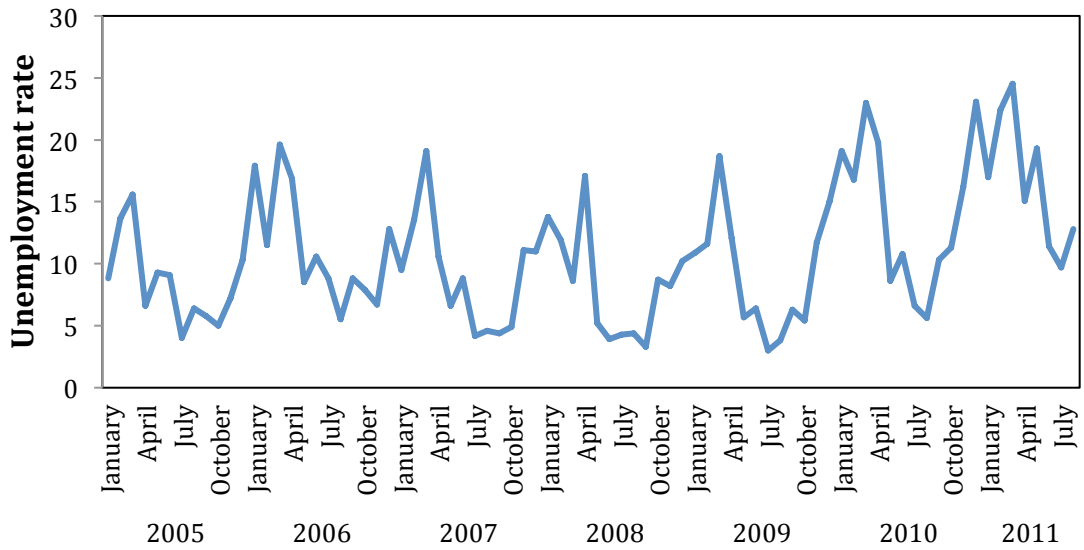
Epirus



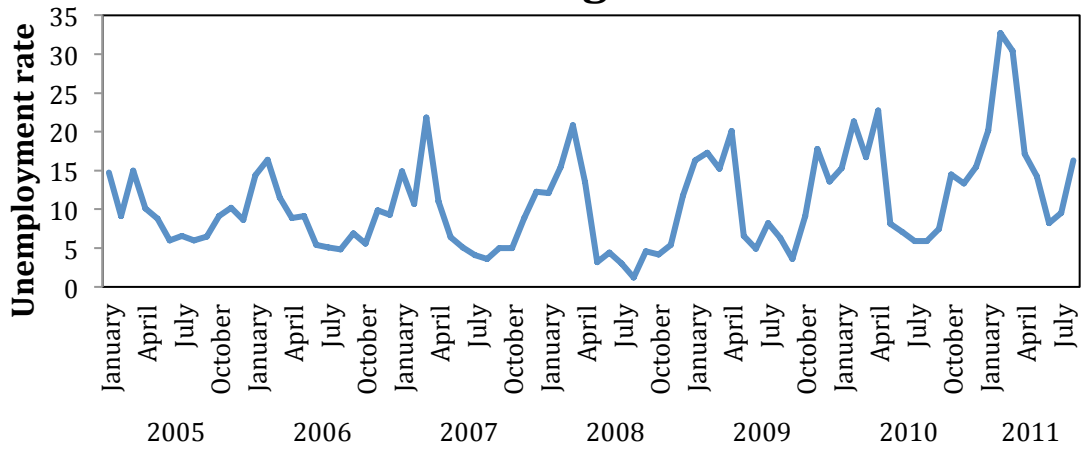
West Macedonia



Ionian Islands



South Aegean



CURRENT TRANSFER PAYMENTS/BENEFITS

1.Family benefit

- Requirements: One of the parents should have worked at least 50 days in the previous year or he should be receiving unemployment benefit every two months or he should be unable to work. The children should be either under the age of 18 or under the age of 22 in case that they still study in any educational institution or they should be unable to work. In addition, the children should be single and live in Greece or another country-member of the EU. The benefit is not granted to the employees that receive from their employment children benefit that is higher than grants. (Διανεμητικός Λογαριασμός Οικογενειακών Επιδομάτων Μισθωτών-Distributive Account of Employees’ Family Benefit) (Δ.ΛΟ.Ε.Μ.)
- The amount of benefit:

Number of Children	Monthly amount in Euro	Monthly amount per child
1	8.22	8.22
2	24.65	16.43
3	55.47	30.82
4	67.38	11.91
5	78.68	11.3
6	89.98	11.3
7	101.28	11.3
8	112.57	11.3
9	123.87	11.3
10	135.17	11.3

The benefit of the 3rd child is 35.16€/year or 2.93€/month

The benefit can be increased by 3.67€/month or 44.04€/year in case:

- The payee does not receive any pension grant due to the death of his/her wife/husband.
- His/her (gross) pension grant is not more than 20 minimum wages (20x33.04€)
- The disabled wife/husband does not receive any pension grant.

Finally, the benefit is granted to foreign citizens, who have permission to work and their children live in Greece.

2.Unemployment benefit

- Requirements: Employees, of which employment was terminated by the employer or from an expired contract, are insured under OAED and depending on some other circumstances can be granted with unemployment benefit. The application is submitted within 60 days from the date of dismissal to the appropriate place of residence. The cases where applications submitted their application within the first 7 days since dismissal are aided starting on the seventh day, while those who submitted at a later date receive benefits starting from the date of submission.

Prerequisites:

1. If subsidized for the first time:
 - a. The insured must have been working 80 days a year for the past two years, before its grant. The last but 14mino must have completed 125 days of work, not counting the last two months.
 - b. Unemployment is entitled and the insured has made in the previous two, before his dismissal years, 200 working days (not counting the last two months), of which 80 days, at least a year.
2. If you subsidize a second time:
 - a. The insured must have been 125 days of work last 14mino before his dismissal, net (to 125) working days of the last two months.
 - b. For workers in the tourist sector (eg seasonal or musicians, actors, etc.) are sufficient working 100 days the last 12 months.

DURATION OF GRANT:

The duration of the grant depends on how many days of work made by the insured in those critical periods (14 months, 12 months or two years).

CONDITIONS FOR GRANT

General Category	Workers in tourist Industry	Construction Workers	Duration of Benefits
Last 14 months Days worked	Last 12 months Days worked	Last 14 months Days worked	
125-149 ¹	100-149	100-149	5 months
150-179 ²	150-179	150-179	6 months
180-219 ³	180-219	180-219	8 months
220-249	220-249	220-249	10 months
250 and over	250 and over	250 and over	12 months
210 and over 49 years old	210 and over	210 and over 49 years old	12 months

1. Or 200 in the last two years
2. Or 250 in the last two years
3. Or 300 in the last two years

The bonus is paid once a month for 25 days. On 01.05.2009 the **monthly unemployment benefit amounts to 454.25 euros**. For each member of the family allowance is increased by 10%.

Enable the employees to transfer the right to unemployment in the States - Members of the European Union to find work, according to Regulation 1408/71 (Form E303 for transport subsidy) provided that:

- a. Have enrolled before their departure to the competent Employment Office to find work and have remained available to those Services at least 4 weeks after the start of their unemployment.
- b. Have registered within 7 days to the competent services of the State - State where going. The right to transfer is maintained for 3 months at maximum.

3. Benefit in the case of suspension

- Amount of benefit: The amount of benefit is 10% of the mean of the regular payments in the last two months. The employer pays the amount up to 3 months every year.

4. Special Benefit that is paid after the expiration of the unemployment benefit

- Requirements: The insured worker should be unemployed up to the date that the special benefit is paid, and he should also be unemployed for more than a month after the expiration of the unemployment benefit (he should also not be qualified for the seasonal benefit). In addition, his family income should not exceed the amount of 9,097.58€ (this amount is increased by 293.47€ every year).
- Amount of benefit: The amount of the special benefit is equal to 13 daily unemployment benefits.

5. Seasonal Benefit

		Required # of days the employee worked	Amount of benefit in Euro (single payment)
A	Forester-	50-240	809.48
	Tobacco worker	50-210	809.48
	Potter	50-210	809.48
	Shipbuilder	50-210	809.48
B	Musician-Singer	50-210	578.20
	Actor	50-210	578.20
	Footwear worker	50-210	578.20
	Theater inspector	50-210	578.20
	Cashier in theater	50-210	578.20
	Technician in film industry and TV	50-210	578.20
	Workers in the tourism industries or agriculture	75 but not more than 50 between 1/10-31/12	578.20
	Usher	50-210	578.20
C	Worker in Naxos' emery mines	50-240	1,156.40
D	Builder	95-210	855.74

More than half of the worked days should be in seasonal job. The workers should not be qualified for the unemployment benefit.

6. Benefit to young persons

- Requirements: The benefit is paid to young persons (20-29 years old), who are unemployed for one year.
- Amount of benefit: The amount of benefit is 73.36€/month, and it is paid up to 5 months.

7. Long term unemployment benefit

- Requirements:
 - 45-65 years old
 - Expired unemployment benefit
 - Be unemployed for 12 consecutive months
 - Family income less than 5000€+587€/child (under the age of 18)
- Amount of benefit: The amount of the benefit is 200€/month and it is paid up to 12 months.

8. Special Benefit

- Requirements: The employee should be insured and not qualified for any benefit in the case that the company that he works for, goes out of business. He should also be unemployed for three months, and he should have worked at least 60 days in the previous year. The benefit is granted up to three times within the year. In addition, his family income should not exceed the amount of 9,097.58€ (this amount is increased by 293.47€ every year).
- Amount of benefits: The amount of the benefit is 15*basic unemployment benefits+10%/child

9. Motherhood Benefit-leave

- Requirements: The motherhood leave is granted to mothers that are insured in IKA and they have a full or part time job. The insured mother should work prior to her pregnancy leave and she should have taken the motherhood benefit from IKA. The benefit is granted after the expiration of the pregnancy leave and the duration of the motherhood (protection) leave is 6 months.

- Amount of Benefit: The amount of motherhood benefit is equal to the minimum salary, which is set by EGSEE (National General Commission Agreement of Employment). The basic salary is 680,59€. In the case that a pregnant employee worked up to 4 hours/day or 13 days/week the last six months prior to her pregnancy leave, the amount of the benefit reduces by half. There are no increases in the benefit. The duration of motherhood (protection) leave counts toward the “insurance period.”

10. Special Motherhood Benefit

- Requirements: The special motherhood benefit is granted to insured employees (IKA) who work in the private sector (prior and after their motherhood leave), and who have taken IKA’s benefit during their motherhood leave.
- Amount of benefit: The amount of motherhood benefit is equal to the difference between the salary that is paid by the employer and the benefit that was paid by IKA during the motherhood leave.

11. Enlistment Benefit

- Requirements: The benefit is granted to people who enrolled in the armed services more than the regular period.
- Amount of benefit: To be qualified for the benefit, a person should also have worked 150 days in the year before he joined the army.

12. Unpaid employees in insolvent companies

- Requirements: The “account for the protection of employees from insolvent employers” pays the unpaid employees up to three monthly salaries. A company is considered as insolvent if it went out of business or if it bankrupted.

13. “Prisoner” Benefit

- Requirements: The person should be at prison at least two months. He should also be qualified by the prison’s social worker. In addition, his family income should not exceed the amount of 9,097.58€ (this amount is increased by 293.47€ every year).
- Amount of benefit: The amount of benefit is equal to 15 daily unemployment benefits.

14. Special Benefit that is paid to persons who are unemployed for 3 months and are not qualified for the Unemployment Benefit

- Requirements: The worker should have worked at least 60 days in the previous year. In addition, his family income should not exceed the amount of 9,097.58€ (this amount is increased by 293.47€ every year).
- Amount of benefit: The amount of the benefit is equal to 15 basic unemployment benefits and it is paid up to three times during the year.

PROPOSED TRANSFER PAYMENTS/BENEFITS

Through the Greek Manpower Employment Organization

Financing Program for the acquisition of work experience and the accession-integration of 10,000 young people (16-24 years old) in the Labor Market.

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	29,667,220.00 € 5500 work positions
Attica, Central & West Macedonia	22,115,564.00 € 4100 work positions
Sterea Ellas, South Aegean	2,157,616.00 € 400 work positions
Total	53,940,400.00 €
<ul style="list-style-type: none"> • In 2010 • In 2011 • In 2012 	<ul style="list-style-type: none"> • 9,058,500 € • 26,481,900 € • 18,400,000 €
<ol style="list-style-type: none"> 1. (Acquisition of work experience) 2. (Labor agreement) 	<ol style="list-style-type: none"> 1. 21,740,400.00 € 2. 32,200,000.00 €

The goal of the program is the acquisition of work experience of young persons 16 up to 24 years old, by their integration in the private sector.

The program finances the employer's insurance payments that corresponds to the 80% of minimum wage the first year- the 70% of the insurance payments in the second year (if the duration of financing extends)(the maximum amount of financing is calculated with respect to the gross minimum wage).

The duration of financing is up to 1 year (minimum 6 months-maximum 12 months) and it can be extended for 1 more year, in case that training is transformed into labor agreement. In that case, the employer has to maintain the employee at least 18months (12 months of financing and 6 months guarantee).

The employers pay 80% of minimum wage during the first year (training season).

The candidate unemployed persons should:

- have valid unemployment card
- be 16-24 years old and should not have been insured for more than 150 days.
- be Greek citizens or citizens of another EU country or foreign citizens that have the right to stay and work in the country.

Unemployed persons who are not qualified for the program

- those who have worked in the last 12 months in the company.
- those who are consider in the configuration of N.2643/98 (Providence for the employment of persons of special categories i.e. disabled or injured persons in war and their children)

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public Investment).

Firms that are not qualified for the program:

- Cleaning and security companies
- Night clubs
- Seasonal jobs
- Firms in the Agriculture or Fishing sector as well as firms in the wholesale and retail trade sector.
- Indirect employers
- Family businesses
- Partnerships
- Problematic companies
- Companies that part of their production is excluded from the program
- The employers' relative employees

The total financing of the company (including any program) should not exceed the amount of 200,000€/year. In case of shipment companies the total financing should not exceed the amount of 100,000€/year.

Transitory program for “the structural adjustment of the employees and enterprises in the economic crisis”.

The program is addressed to enterprises that occupy 50 persons and more.

The companies should focus on

- maximizing the usage of inputs
- maximizing environmental management
- increase of exports
- maximizing the ‘living’ conditions of the company despite the changes of its environment
- design models for the maintenance of the work positions

The total financing of the company (including any program) should not exceed the amount of 500,000€/year.

Firms that are not qualified for the program:

- Night clubs
- Seasonal jobs
- Firms in the Agriculture or Fishing sector
- Problematic companies
- Firms in the sector of entertainment and recreation

The average cost per hour per worker is 13,00€.

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public Investment) of the Ministry of Labor and Social Insurance.

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	34,781,516 €
Attica, Central & West Macedonia	23,121,781 €
Stereia Ellas, South Aegean	2,096,703 €
Total	60,000,000 €

Program for financing 200,000 (full-time) work positions (the goal is to maintain 400,000 work positions in the private sector)

The program focus on disabled employees and employees 50+ years old.

The maximum amount of the program is 992,000,000€ (743,000,000€ in 2011 and 248,100,000€ in 2012).

- 50% of the financing work positions (100,000) are for small firms that employ 2-9 employees. (Maximum amount 487,000,000€)
- 30% of the financing work positions (60,000) are for medium firms that employ 10-49 employees (Maximum amount 293,000,000€)
- 20% of the financing work positions (40,000) are for firms that employ more than 50 employees (Maximum amount 212,000,000€).

Companies are required to maintain the work positions at least 18 months, and they should also employ at least equal number of employees without any financing from the government.

The duration of the program is 18 months. However the duration of the financing is only 12 months.

Financing:

- 100% ~ gross payment up to 2000€/month for disabled employees
- 100% ~ gross payment up to 1800€/month for employees 50 years old and over.
- 100% ~ gross payment up to 1300€/month for the rest employees of the company

The program finances from 1 up to 80 employees/company.

Firms that are not qualified for the program:

- Cleaning and security companies
- Night clubs
- Seasonal jobs
- Firms in the Agriculture or Fishing sector as well as firms in the wholesale and retail trade sector.
- Indirect employers
- Family businesses
- Partnerships
- Problematic companies
- Companies that part of their production is excluded from the program
- The employers' relative employees

The program is financed by OAED-KAE 2493 (Financing to Counter Unemployment) and might be co-financed by EU under the National Strategic Reference Framework.

The NSRF (National Strategic Reference Framework) 2007–2013 constitutes the reference document for the programming of European Union Funds at national level for the 2007–2013 period.

Financing Programm for the maintenance of 10,000 work position in hotels that operate the whole year.

The company should not be financed by more than 500,000€. In addition it should maintain the work position for at least 18 months.

The maximum amount of the program is 18,620,000€

- 7,000,000€ in 2010
- 10,920,000€ in 2011

The program finances up to 40% the employer payments.

The duration of financing is up to 1 year.

Employees that are excluded from the program:

- employees that work for specific time and their stages are not renewed
- part-time employees
- employees that work for indirect employer
- employees that are qualified in another program of OAED
- interns
- employees who are consider in the configuration of N.2643/98 (Providence for the employment of persons of special categories i.e. disabled or injured persons in war and their children)
- employees that are not insured in IKA-ETAM

The program is financed by OAED-KAE 2493 (Financing to Counter Unemployment) and might be co-financed by EU under the National Strategic Reference Framework.

Program for the extension of touristic period by the financing of insurance payments of 70,000 unemployed persons in hotels that operate either seasonal or the whole year.

The total financing of the company (including any program) should not exceed the amount of 500,000€ in the period 2008/2010.

The program is financed by OAED-KAE 2493 (Financing to Counter Unemployment) and might be co-financed by EU under the National Strategic Reference Framework.

The maximum amount of the program is 70,000,000€.

The program finances up to 100% the insurance payments of the employees.

The duration of financing is 2 months.

Free-Lancer Program

The goal of the program is to support the entrepreneurship of 2,500 unemployed persons.

- 1,250 unemployed persons 22-32 years old
- 1,250 unemployed persons 33-64 years old

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	28,800,000.00 € 1200 work positions
Attica, Central & West Macedonia	24,000,000.00 € 1000 work positions
Stereia Ellas, South Aegean	7,200,000.00€ 300 work positions
Total	60,000,000.00 €

The amount of the financing is 24,000€, while its duration is 36 months.

The total financing of the company (including any program) should not exceed the amount of 200,000€/year.

The program is financed by ΛΑΕΚ (Employment and Vocational training fund) /OΑΕΔ.

Free-Lancer/Scientist Program

The goal of the program is to support the entrepreneurship of 6,000 unemployed doctors, dentists, veterinarians, pharmacists, engineers and lawyers.

The maximum amount of the program is 123,000,000€.

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	54,579,000.00 € 2599 work positions
Attica, Central & West Macedonia	66,087,000.00 € 3147 work positions
Stereia Ellas, South Aegean	5,334,000.00€ 254 work positions
Total	123,000,000.00 €

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public Investment) of the Ministry of Labor and Social Insurance.

Women Free-Lancer Program

The goal of the program is to support the entrepreneurship of 4,000 unemployed women (22-64 years old) who set up a new business.

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	45,000,000.00 € 1875 work positions
Attica, Central & West Macedonia	36,600,000.00 €

	1525 work positions
Stereia Ellas, South Aegean	14,400,000.00€ 600 work positions
Total	96,000,000.00 €
<ul style="list-style-type: none"> • In 2010 • In 2011 • In 2012 • In 2013 	<ul style="list-style-type: none"> • 24,000,000 € • 24,000,000 € • 24,000,000 € • 24,000,000 €

The amount of the financing is 24,000€, while its duration is 36 months.

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public Investment) of the Ministry of Labor and Social Insurance.

Special two years program for the “employment” of 25,000 unemployed persons.

The program is primarily addressed to businesses that employ up to 50 employees and are specialized in innovator sectors such as the green economy.

The program finances

- 80% of the insurance payments in the first year
- 60% of the insurance payments in the second year

In case that the unemployed person is under the age of 30 or long-term unemployed woman (45+ years old) or unemployed persons who are close to retiring or leaders of a single-parent family or the person is from a family with many children then the program finances

- 80% of the insurance payments in the first year
- 80% of the insurance payments in the second year

The unemployed persons who will be hired by the businesses should

- have valid unemployment card
- be Greek citizens or citizens of another EU country or foreign citizens that have the right to stay and work in the country.

Unemployed persons who are not qualified for the program

- those who have worked in the last 12 months in the company.
- those who are considered in the configuration of N.2643/98 (Providence for the employment of persons in special categories i.e. disabled or injured persons in

war)

The business must maintain the same number of employees at least 12 months after the expiration of the financing.

Firms that are not qualified for the program:

- Cleaning and security companies
- Night clubs
- Seasonal jobs
- Firms in the Agriculture or Fishing sector as well as firms in the wholesale and retail trade sector.
- Indirect employers
- Family businesses
- Partnerships
- Problematic companies
- Companies that part of their production is excluded from the program
- The employers' relative employees

The total financing of the company (including any program) should not exceed the amount of 200,000€/year.

District	Amount
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	79,316,160.00 € 11,600 work positions
Attica, Central & West Macedonia	66,324,720.00 € 9700 work positions
Stereia Ellas, South Aegean	25,299,120.00€ 3700 work positions
Total	170,940,000.00 €
<ul style="list-style-type: none">• In 2010• In 2011• In 2012	<ul style="list-style-type: none">• 45,584,000 €• 85,470,000 €• 39,886,000 €

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public

Investment) of the Ministry of Labor and Social Insurance.

Special four years program for the “employment” of 40,000 unemployed persons.

The goal of the program is the creation of 40,000 new work positions by the financing of insurance payments or casual payments.

The program is primarily addressed to businesses that employ up to 50 employees and are specialized in innovator sectors such as the green economy.

The unemployed persons who will be hired by the businesses should

- have valid unemployment card
- be Greek citizens or citizens of another EU country or foreign citizens that have the right to stay and work in the country.

Unemployed persons who are not qualified for the program

- those who have worked in the last 12 months in the company.
- those who are considered in the configuration of N.2643/98 (Providence for the employment of persons in special categories i.e. disabled or injured persons in war)

The program finances

- 100% of the insurance payments in the first year
- 75% of the insurance payments in the second year
- 50% of the insurance payments in the third year
- 25% of the insurance payments in the fourth year

In case that the unemployed person is under the age of 30 or long-term unemployed woman (45+ years old) or unemployed persons who are close to retiring or leaders of a single-parent family or the person is from a family with many children then the program finances

- 100% of the insurance payments in the first and the second year
- 50% of the insurance payments in the third and fourth year

The business must maintain the same number of employees at least 12 months after the expiration of the financing.

Firms that are not qualified for the program:

- Cleaning and security companies
- Night clubs
- Seasonal jobs
- Firms in the Agriculture or Fishing sector as well as firms in the wholesale and retail trade sector.

- Indirect employers
- Family businesses
- Partnerships
- Problematic companies
- Companies that part of their production is excluded from the program
- The employers' relative employees

The total financing of the company (including any program) should not exceed the amount of 200,000€/year.

District	Work Positions
Crete, Ionian Islands, North Aegean, East Macedonia and Thrace, Epirus, Thessaly, West Greece, Peloponnese	232,660,736.00 € 18,560 work positions
Attica, Central & West Macedonia	194,615,190.00 € 15,525 work positions
Stereia Ellas, South Aegean	74,148,074.00€ 5915 work positions
Total	501,424,00.00 €
<ul style="list-style-type: none"> • In 2010 • In 2011 • In 2012 • In 2013 • In 2014 	<ul style="list-style-type: none"> • 91,168,000 € • 170,940,000 € • 125,940,000 € • 79,772,000 € • 34,188,000 €

Program for the financing of work positions for unemployed persons who are close to retiring.

The program is addressed to 2,500 unemployed persons who need 5 years employment or 1500 'ensema'.

The duration of financing is from 1 up to 60 months.

The amount of financing in case of full-employment is:

- 22 €/day the first year
- 24€/day the second year

- 26€/day the third year
- 28€/day the fourth year
- 30€/day the fifth year (during the fifth year the employee should be insured at least 18 days/month)

The amount of financing in case of part-employment(more than 4 hours/day) is:

- 11€/day the first year
- 12€/day the second year
- 13€/day the third year
- 14€/day the fourth year
- 15€/day the fifth year

Local Program of District of Kastoria

The goal of the program is the creation of 300 new work positions by the financing of insurance payments or casual payments.

The maximum amount of the program is 3,360,000€.

The duration of financing is 24 months.

The business must maintain the same number of employees at least 12 months after the expiration of the financing.

The program is co-financed by EU (European Social Fund) and ΠΔΕ (Program of Public Investment) of the Ministry of Labor and Social Insurance.

Source: OAED

APPENDIX D – Evaluation of existing programs

1st Group: Maintenance of existing work positions and adjustment of firms and employees

Program	Budget	Potentially Benefitted persons	Number of applications	Number of Accepted applications	Open positions	Status of program
Financing Program of employer insurance payments of 200,000 full-time work positions in order to maintain 400,000 work positions (the program is financed by OAED)	992,000,000	400,000	139,578	113,313	60,422	In progress
Transitory Program for the structural adjustment of the employees and the enterprises in the economic crisis. The program is addressed to enterprises that occupy more than 50 employees. (The program is financed by E.P.AN.AD.)	110,000,000	45,000	603	The program is expected to start running in April-May		Evaluation of proposed projects
Transitory Program for the structural adjustment of the employees and the enterprises in the economic crisis. The program is addressed to enterprises that occupy up to 50 employees. (Professional Training A.E. runs the program and it is financed by E.P.AN.AD.)	80,000,000	18,000				Evaluation of proposed projects
Financing Program for the maintenance of 10,000 work position in hotels that operate the whole year (the program is financed by OAED)	18,600,000	10,000		7,696		Finished
Program for the extension of the touristic period (April, May, October) by the financing of insurance payments for 70,000 unemployed persons in hotels that operate either seasonal or the whole year. (the program is financed by OAED)	70,000,000	70,000		34,024		Finished
Program for the extension of the touristic period (September 2010) by the financing of insurance payments for 50,000 unemployed persons in hotels that operate either seasonal or the whole year (the program is financed by OAED)	25,000,000					Finished
Financing Program for the maintenance of 600 work positions in hotels during the winter period (November 2010-February 2011)	600,000	600				In progress
Training program for the employees of small businesses (1-25 employees) (2010-2011) (The program is run by the business association)	25,000,000	35,000				In progress

Training program for the employees of businesses (2011) (LAEK)	45,000,000	125,000				In progress
Training program for the employees of “Drago Boats A.E”	126,000	30				In progress
Training program for the employees of “Navi Marine A.E.B.E.”	63,000	15				In progress

2nd Group: The integration of unemployed persons in the labor market

Program	Budget	Potentially Benefitted persons	Number of applications	Number of Accepted applications	Open positions	Status
“Integration Request”: transformation of unemployed benefit to employment or training benefit for 10,000 unemployed persons (The program is co-financed by OAED and E.P.AN.A.D.)	120,000,000	10,000				Start in March 2011
Financing Program for the acquisition of work experience and the accession-integration of 10,000 young people (16-24 years old) in the Labor Market	54,000,000	10,000	1,287	17	8,713	In progress
Special Program for the employees of “ASPIS PRONOIA A.E.A.Z.”, “G.H. SKOURTIS A.E.G.A”, “GENIKI ENWSI A.E.E.G.A (GENERAL UNION)”, “GENIKI PISTI A.E.E.G.A (GENERAL UNION)”, “EOS A.E.A.Z”, “COMMERCIAL VALUE” (The program is co-financed by LAEK (17,820,000 million euro) and ESPA (6,480,0000).	26,400,000	800	359	165		In progress
Local Program for the unemployed workers of “TEKSAPRET A.E.”, “MAXIM PERTSINIDIS A.E”, “ROBERTO A.B.E.E.”, “NOBA KNIT A.E.”, in Thessaloniki (The program is co-financed by OAED and E.P.E.A.A.)	7,200,000	680				Start in March 2011
Special four years program for the employment of 40,000 unemployed persons. The program is primarily addressed to young people up to 30 years old and the special groups of unemployed persons. (The program is financed by OAED)	501,424,000	40,000	20,923	10,113	19,077	In progress
Special two years program for the employment of 25,000 unemployed persons. The program is primarily addressed to young people up to 30 years old and the special groups of unemployed persons. (The program is financed by E.P.E.A.A.)	170,940,000	25,000	16,935	7,657	8,065	In progress
Local Program of District of Kastoria. The program is addressed to 900 unemployed and 350 employed persons and it involves training	13,700,000	1,250	398 (unemployed) 124	189 (unemployed)) 72		In progress

and creation of work positions. (The program is co-financed by EU (European Social Fund), ΠΔΕ (Program of Public Investment) of the Ministry of Labor and Social Insurance and OEAD)

(employed) (employed)

Program for the financing of work positions for unemployed persons who are close to retiring. (The program is financed by LAEK)

81,250,000

2,500

1,220

1,280

In progress

Training of 13 unemployed workers of “Kananis Metal constructions A.E.”

56,160

13

In progress

3rd Group: Promotion of entrepreneurship of unemployed persons

Program	Budget	Potentially Benefitted persons	Number of applications	Number of Accepted applications	Open positions	Status
Women Free-Lancer Program. The goal of the program is to support the entrepreneurship of 4,000 unemployed women (22-64 years old) who set up a new business. (The program is financed by LAEK)	96,000,000	4,000	5,048	2,971	1,029	In progress
Free-Lancer Program The goal of the program is to support the entrepreneurship of 2,500 unemployed persons	60,000,000	2,500	4,561	2,346	154	In progress
Free-Lancer/Scientist Program The goal of the program is to support the entrepreneurship of 6,000 unemployed doctors, dentists, veterinarians, pharmacists, engineers and lawyers	126,000,000	6,000	6,246	5,344	656	In progress

4th Group: Financial Assistance to vulnerable groups and disabled persons (*To be announced*).

5th Group: Training and integration of young persons in the labor market

Program	Budget	Potentially Benefitted persons	Number of applications	Number of Accepted applications	Open positions	Status
Two years educational program that includes internship in an enterprise. The program is run at 54 schools.	72,000,000	12,000		11,500		In progress
Training program at IEK (Institution of Professional Training) of OAED. The program is run at 31 schools.	3,000,000	4,000		2,600		In progress

Source: OAED and Hmerisia

APPENDIX E – Recent Changes in Labor Laws.

Changes have been made recently to labor relations situation in Greece by Laws 3846/2010, 3863/2010 and 3899/2010 for the purpose of making working time more flexible. These laws lay down the terms and conditions for part-time work and rotating employment, tele-working is regulated, conditions are laid down for the organization of working time depending on each individual undertaking's own needs, and there are provisions about temporarily laying off employees.

Other reforms relate to the shortening of the notice period when employment contracts are terminated by the employer, the introduction of a 12-month probationary period, the right of employees to insure themselves, mass redundancies (with changes in the quotas having been made), the loan of employees, and a reduction in the pay for extra work and overtime. These matters are discussed in more detail below:

Law 3846/2010 impacts the formalization of part-time workers, rotating employment, and temporary lay offs. Article 4 of Law 3846/2010 introduces the option of salaried employees being temporarily laid off when the financial activity of the undertakings and businesses they work for reduces, such temporary laying off lasting for 3 months per year.

Law 3863/2010 makes the most substantial changes to labor laws, impacting lay-off quotas, firing notices, overtime rates and lower minimum wage levels for those under 25 years of age. Specifically:

Article 74(1) of Law 3863/2010 amends the quotas for mass redundancies as follows:

- a) up to 6 employees for businesses or undertakings employing up to 150 people;
- b) 5% of staff and up to 30 employees for businesses or undertakings employing over 150 people.

In the case of open-ended employment contracts, the first 12-month period is now a probationary period, in which case the contract can be terminated without notice and without any dismissal pay save where the parties have agreed otherwise (Article 74(2), as amended by Law 3899/2010).

In all other respects, the notice period for terminating open-ended employment contracts has been shortened (Article 74(B)). The minimum notice period is 1 month for employment periods of 12 months to 2 years, 2 months for employment periods of 2 to 5 years, 3 months for employment periods of 5 to 10 years, 4 months for employment periods of 10 to 15 years, 5 months for employment periods of 15 to 20 years and 6 months for employment periods of 20 years or more.

Where notice of termination is given, only half the dismissal pay will now be payable. The compensation calculations have not been affected. This only applies to employees and not to laborers.

There are now incentives for hiring young people joining the labor market for the first time provided they are aged up to 25, with them being paid 84% of the minimum basic salary or wage specified in the national general collective labor agreement, and social security contributions for new recruits in all insurance sectors being subsidized by OAED.

Article 74(9) of Law 3863/2010 introduces provisions allowing apprenticeship agreements for 15 to 18 years olds to be entered into, where pay is at 70% of the minimum basic salary or wage specified in the national general collective labor agreement for a period of 1 year in order to enable such persons to acquire skills, and provided that work is for up to 40 hours a week for anyone aged 16 or over, and up to 30 hours a week (6 hours a day) for anyone not yet turned 16. Apprentices are prohibited from working between 22:00 hours and 06:00 hours on the following day.

Article 74(10) of Law 3863/2010 introduces a reduction in pay for extra work and overtime. The augment for extra work has been reduced from 25% to 20%, while the augment for lawful overtime up to 120 hours per year is 40% and the augment for overtime after the first 120 hours has been reduced from 75% to 60%. In the case of unlawful overtime, the augment has been reduced from 100% to 80%.

Continued on next page →

APPENDIX E continued:

Law 3899/2010 contains the following important provisions:

The institution of mediation referred to Article 73 of Law 3846/2010 has been repealed and has been replaced by the institution of mediation and arbitration (Articles 14 -16).

Furthermore the arbitration process has been changed to restrict salary increases. More than 20 years ago, Law 1876/1990 established the

Organisation for Mediation and Arbitration (OMED) and a mediation/arbitration system for collective labor disputes. According to such system, a union and/or an employer could ask the OMED to mediate on any collective labor dispute.

Law 3871/2010 has restricted the OMED by prohibiting arbitrators from granting salary increases until June 30 2011. From July 1 2011 until June 30 2012, it allows arbitrators to grant salary increases, but only up to the level of change in European annual inflation during 2010 (0.8%), and from July 1 2012 until December 31 2012 the cap will be the change in European annual inflation during 2011.

The implications of the recent legal changes to severance and redundancy payments are captured in the table below:

	<u>2010</u>	<u>2011</u>
Severance pay:		
tenure \geq 6 months:	15 day(s)	0 day(s)
tenure \geq 9 months:	15 day(s)	0 day(s)
tenure \geq 1 year:	30 day(s)	15 day(s)
tenure \geq 2 years:	30 day(s)	1 month(s)
tenure \geq 4 years:	1.5 month(s)	1 month(s)
tenure \geq 5 years:	1.5 month(s)	1.5 month(s)
tenure \geq 10 years:	3 month(s)	2 month(s)
tenure \geq 20 years:	8 month(s)	3 month(s)
Redundancy payment:		
tenure \geq 6 months:	15 day(s)	0 day(s)
tenure \geq 9 months:	15 day(s)	0 day(s)
tenure \geq 1 year:	30 day(s)	15 day(s)
tenure \geq 2 years:	30 day(s)	1 month(s)
tenure \geq 4 years:	1.5 month(s)	1 month(s)
tenure \geq 5 years:	1.5 month(s)	1.5 month(s)
tenure \geq 10 years:	3 month(s)	2 month(s)
tenure \geq 20 years:	8 month(s)	3 month(s)

Sources: Employment Protection Legislation Database (EPLex), International Labour Organization; Law 3863, Government Gazette, The Greek Republic, Sheet No. 115 (15 July 2010)

APPENDIX F – Select International Experiences in Government Job Creation

Country	Year	Program Description
Argentina	2002 onwards	Head of households plan (Jefes de Hogar): offered households with children under 18, 20 hours of work per week.
Australia	1940-1970	Keynesian Commonwealth Employment Service, delivered an average of 2% unemployment; in contrast to unemployment hovering near 9% in the 1990s and over 4% presently
Bolivia	1986-90	Emergency Social Fund engaging beneficiaries in public works and infrastructure.
Botswana	1980s onwards	Labor-Based Relief Programme and Labor-Intensive Rural Public Works Programme
Chile	1975-1987	The minimum employment program was a public works programs, developed to combat 30% unemployment, and employed up to 13% of the workforce.
France	Conceptualised in 1984, piloted in 2005	“Professional Transaction Contracts” first proposed by Jacques Attali in 1984. Pilot programmes began in six districts (2005) and are currently being evaluated before being officially adopted nationwide.
Ghana	1988 onwards	Program of action to mitigate the social costs of adjustment, largely involving labor-intensive construction.
India	1972, 2005	Maharashtra Employment Guarantee Scheme: guarantee manual work to any applicant National Rural Employment Guarantee Act: offers 100 days of employment to rural households
Indonesia	Relaunched in 1998	<i>Padat Karya</i> programmes involving poverty alleviation and emergency job creation measures in response to Asian crisis, small-scale infrastructure projects.
Korea	1997-8	Master plan for tackling unemployment: emergency public works programmes for low-skill workers following the East-Asian crisis
Mexico	1995 onwards	Programa de Empleo Temporal: community development through intensive use of unskilled labor for social and productive infrastructure. By 2000 programme had increased to one million beneficiaries.
Morocco	Since 1961	The Promotion Nationale has been successfully operating for over 45 years. The program focuses on the development of rural communities, the Saharan and South Provinces. (Consistent annual increases in working days)
Nepal	1989	Dhaulagiri irrigation development project
Peru	1991-5	Programa de apoyo al ingreso temporal, a public works programme focusing primarily on Women (At one time employed 500,000).
South Africa	2004 onwards	The expanded public works program seeks to reorient existing departmental expenditure in ways that maximise jobs creation in environmental, infrastructure and social sectors.

Sri Lanka	1985 onwards	National housing development authority: engages urban communities in housing and infrastructure development.
Sweden	1938-1970	Programme focused on the “socialization of investment” and offered an alternative to welfare-ism by emphasizing the “right to work” rather than the “right to income.” Unemployment rates remained below 3% until the late 1980s, when the program was dismantled.
United States	1933-1936	New Deal public works programmes (WPA, PWA, CWA)
Zambia	1991 onwards	Micro-project unit targeted the poor and focused on the maintenance of existing infrastructure.

Sources: Devereux and Solomon 2006; Antonopoulos 2007; Papadimitriou 2008

APPENDIX G - ADMINISTRATIVE AND OPERATIONAL STRUCTURE.

Whether the proposed new program will be set up as a brand new entity, with its own new and distinct administrative and operational structure; or be embedded within an existing structure. It will require identification of the Ministry (or coordination across Ministries) within which the program will operate. The 'Program Design Management Team' is to be established across various departments and in consultation with civil society (to the degree possible) to ensure shared ownership and social 'buy-in'. It should include the following areas of expertise:

Team Leader: responsible for overall coordination of the program *formulation* process; engages in consultations that feed into determining institutional arrangements, budgetary allocations and rules of operation; acts as the liaison with all ministries and stake-holders; delivers a final program proposal document to the Ministry for parliamentary negotiations and final approval.

Technical Advisor: responsible for the overall program design, socioeconomic community mapping and identification of broad areas for project-selection, proposes alternatives for scale and population coverage and regional prioritization (if needed), established selection criteria and implementation arrangements, and through a consultative process, finalizes a proposal for the rules of operation.

Expert in Monitoring and Evaluation: responsible for setting up a Management Information system (MIS), and Monitoring and Evaluation systems (M&E); consults with all appropriate government agencies and conducts a feasibility study with full costing for MIS and M&E systems.

Expert in Finance: Will be responsible for costing all of the projects inputs, establishing cash flow analysis and negotiating, in coordination with the Team Leader, budgets and funding modalities of the program; consults with all relevant Ministries.

Gender and Youth expert: responsible for women's and youth's outreach; for putting in place a schedule of works that takes into account women's and youth's priorities in project selection, and in implementation and monitoring systems; consults with Secretariats and Ministries and non-profit institutions in the field of promoting the rights of youth and women.

Transparency and Accountability and MIS manager: responsible for establishing a Management Information System, supervising and constructing questionnaires, trains and enhances capacities of those who will conduct qualitative data gathering and proposes M&E system; adds value to ensuring transparency and accountability and consults with the Citizens' Advocate body.

Communication manager: provides overall support and is a liaison with different tiers of government, civil society organizations, and with communities where the program will be introduced; will support all the experts of the Program Management Team.

APPENDIX H - IMPACT ANALYSIS AND ASSESSMENT METHODS

In all technical methods, assessing the impacts of a program intervention on individuals and households, appropriate selection of the control group is a crucial issue for comparisons with the outcomes of program on participants, i.e., the treatment group. Below we provide some insights from the literature (Dar and Tzannatos 1999; Keddeman 1998; Trochim 2006).

1. In *experimental methods* a randomized selection of participants is used and evaluation is based on mainly measuring the causal relationship between two outcome indicators. As participants are randomly assigned in experimental method control group and treatment groups are assumed to be statistically identical (on observed and unobserved factors). Experimental methods are criticized widely in the literature for ethical reasons and since targeting and selection in public programs is not usually done by random selection experimental methods do not provide appropriate tools for a public works program evaluation.

2. Among *non-experimental methods*, simple difference method is used to measure the difference between program participants and non-participants after the program is completed. Control group is constructed by the individuals who didn't participate in the program (for any reason), but for whom data were collected after the program. Data used is data collected after the program is implemented. This method assumes that non-participants are identical to participants except for program participation, and were equally likely to enter program before it started. This assumption is very unrealistic leading to biased results in impact assessments.

A widely used non-experimental impact evaluation strategy in research is *Differences in Differences* method, which is based on an analysis of the comparison of differences between program participants and nonparticipants with respect to average changes in outcomes between the baseline and follow-up surveys. The technique measures the change over time of program participants relative to the change of non-participants. Data collected from the individuals who didn't participate in the program (for any reason), but for whom data were collected both before and after the program is used for analysis. This technique assumes if the program didn't exist, the two groups would have had identical trajectories over this period. Basically for each participant of the program and each of control/comparison group, one can calculate the change in important outcomes between the baseline survey and the follow-up survey and then compare the average changes.

This Difference-in-Difference method controls (at least in part) for differences between the two groups in the level of their outcome variables before the implementation of the program. This evaluation needs to be done by controlling the already existing differences between the two groups. For instance, suppose that, despite all the efforts to match the program participants and control group as closely as possible, the women in the participants group already shows higher employment level than the women in the control group even prior to the program. If the differences persisted over the observation period, then the observed differences in employment can be attributed to the effects of the program when, in fact, they simply reflect baseline differences in the samples. Therefore, the a second analysis method, based on double differences, seeks to avoid an inaccurate assessment of the basis for change by determining whether the change in the program participants is greater than the change in

the comparison group between the baseline and follow-up surveys. In any estimation specification used, explanatory variables need to include individual characteristics (e.g. ex, age, marital status, education), household demographic (e.g. household size, number of children younger than 15, dependency ratio) and other household characteristics (access to water and electricity, type of housing structure), respectively. And there is a need to include variables on employment history indicating whether an individual had any job experience prior to being unemployed, information on type of contract (temporary, ad-hoc or permanent) for the job held just prior to being unemployed, whether the individual was a wage employee or self-employed/others, duration of unemployment prior to participating in the program, and sector of employment for an individual's last job. According to question asked specification can be a type of logit/probit estimation or other that will be discussed.

Multivariate regression method measures the differences between the individuals who received treatment are compared with those who did not, and other factors that might explain differences in the outcomes are “controlled” for. Data needed is collected from the individuals who didn't participate in the program (for any reason), but for whom data were collected both before and after the program. In this case data is not comprised of just indicators of outcomes, but other “explanatory” variables as well. One strong assumption of this method is that unobservable factors that were excluded (because they are unobservable and/or have been not been measured) do not bias results because they are either uncorrelated with the outcome or do not differ between participants and non-participants.

Statistical matching procedures compare the outcome of individuals in control group with similar individuals' in participants group. There are different types of statistical matching: exact matching where for each participant, at least one non-participant who is identical on selected characteristics is matched. Second method is propensity score matching where non-participants are selected according to the criteria that have a mix of characteristics that would be as likely to participate as participants. Matching method also assumes that the factors that were excluded (because they are unobservable and/or have been not been measured) do not lead to biased results because they are either uncorrelated with the outcome or do not differ between participants and non-participants. Outcomes indicators and “variables for matching” for both participants and non-participants are needed to implement matching.

Regression discontinuity design is based on the ranking of the individuals according to specific, measurable criteria. A cutoff level is determined whether an individual is eligible to participate. Participants are then compared to non-participants (just below and just above the eligibility cut-off) and the eligibility criterion is controlled for. This method assumes that individuals who are close to the cutoff, but fall on the “wrong” side of that cutoff, and therefore do not get the program. After controlling for the criteria (and other measures of choice), the remaining differences between individuals directly below and directly above the cut-off score are not statistically significant and will not bias the results. A necessary but sufficient requirement for this to hold is that the cut-off criteria are strictly adhered to. Data on the outcomes as well as measures on criteria (and any other controls) are needed for impact assessment. An overview of these techniques with illustrations to public works programs is available in Grosh et. al. (2009).

Note: A distinct from the above discussion type of analysis is the “*Cost-benefit analysis*” which estimates the cost effectiveness of public works programs. The information on the costs should include budget data disaggregated by activity (labor, administrative, managerial, input materials), and by program (roads, irrigation infrastructure). In addition it should also take into account the targeting efficiency to assess the proportion of the funds that actually reach the intended beneficiaries. The calculation of the benefits include: a) short term direct outcomes, measured by the increase in employment and income of participants, discounted by the cost of participation and opportunity cost; and b) the potential medium-to-long term impacts indirect impact, measured by value added to the community and second round employment benefits from assets created. The information to conduct a comprehensive analysis of costs and benefits are not available. In the absence of such information, analysts have attempted to calculate cost effectiveness using plausible assumptions. Ravallion (1999) has suggested simple analytical tools to calculate a comprehensive measure to rapidly appraise the cost effectiveness of public works programs in raising the income of the poor.

The analysis proposed focuses on the values of five key variables:

- i) labor intensity (in other words, the proportion of the total wage bill over the total operating cost; ii) targeting performance; proportion of the wages paid out to poor workers,
- iii) Net wage gain (in other words, gross wages minus all costs of participation incurred by workers); iv) indirect benefits flowing from the assets created, v) budget leverage or the share of the government’s outlay that actually benefits the poor, when co-financing from non poor communities are required.

APPENDIX I – BASELINE PROFILES: SHORT-FORM

DATA REQUIREMENTS

THIS SECTION ESTABLISHES A LIST OF NECESSARY DATA THAT MUST BE AVAILABLE FOR IMPACT ANALYSIS ASSESSMENT AND FOR M&E OF OUTCOMES OF THE PLANNED PROGRAM.

FOR EACH OF THE TARGETED COMMUNITIES, THREE KEY “PROFILES” MUST BE CONSTRUCTED: (A) COMMUNITY PROFILE; (B) HOUSEHOLD PROFILE; (C) INDIVIDUAL PROFILE.

(a) COMMUNITY PROFILE

Potential impact evaluation at the community level requires a snapshot picture of the present universe in three aspects:

1. CURRENT RANKINGS

- Poverty ranking;
- Unemployment rate, Underemployment and inactivity rates (by ‘youth’/ gender)
- Presence and importance of social cash transfers and other support programs (per capita transfers received or identification of the most important programs for this community)

2. MARKET AND NON-MARKET PRODUCTIVE ACTIVITIES

- Identify the most important economic activities and the recent changes due to the crisis in the community and rank in terms of importance for level for employment by types of products and volume in
 - Agriculture,
 - Construction,
 - Manufacturing,
 - Services,
 - Public Sector Employment
 - Tourism
- Identify the most important unpaid economic activities in the community and rank in terms of importance for the survival of the community and if possible identify types of activities/products;
 - Own production for own consumption,
 - Contributing unpaid family labor (*Context: ‘helping’ family members who are working for others-as in agriculture, or to family-owned enterprises*)

Selection of meaningful Work Projects necessitates an understanding of the local economy (market and non-market productive activities). Interview municipality authorities and/or federal development agent.

3. INSTITUTIONS, SOCIAL PROGRAMMES AND PUBLIC ASSETS

- Presence and recent changes due to the crisis of
 - functioning markets;
 - school; pre-school;
 - hospital; clinic; health center; means of transportation
 - municipal offices; local NGO's;
 - banks;
- Services and social programs provided by government:
 - Social cash transfers and non-cash
 - Main employment promoting social programs

*Establish presence and financial allocations of social programs **before and after the crisis** in the locality; backlogs of implementing agencies and the underlying reasons **budget cuts?** establish the community 'needs' as identified by local authorities and community members; map the functioning (or not) implementing NG agencies in the community. Interview municipality authorities and/or federal development agent; and gather information through community focus groups.*

(b) HOUSEHOLD PROFILE

5. DEMOGRAPHIC CHARACTERISTICS

- Household size and composition: age, gender, presence of children, presence of members with disability, number of migrants.
- Household type: multi-generation; adults only; elderly only; extended-nuclear
- Dependency ratio (employed persons/total household size)
- Education level of household members (female/male)
- Number of children enrolled in school
- Social support received by various cash transfer and other support programs
- Current household income-expenditure pattern in comparison to **before the crisis**

6. HOUSEHOLD PARTICIPATION IN MARKET AND NON-MARKET PRODUCTIVE ACTIVITIES

- Identify the importance of each for the household, i.e., number of household members involved in any of the economic activities below:
 - Agriculture
 - Husbandry
 - Construction
 - Manufacturing
 - Services: households and government
 - Tourism
 - Contributing unpaid family labor (either to family members working as in agriculture or to family enterprises)
 - Food preparation, care of children, elderly, disabled persons

This information can be calculated from household members' 'individual profile' below. Alternatively, questions can be asked as to the importance and ranking of these activities in the household ordinarily.

7. HOUSEHOLD INCOME

- Identify the total amount and the sources of household income; time spent to procure that income; predictability and frequency of receipt of income over the calendar year:
 - Money from family members outside
 - Money from business activities
 - Salaries and wages received
 - Cash transfers (*Specify program and amount(s) received*)

8. HOUSEHOLD ASSETS AND DEBTS

- Land (owned, form of access to land, leased etc.)
- Animals
- Means of transportation if any
- Ownership of house/apartment
- Household appliances
- Savings (*formal and informal schemes*)
- Debts, credits (*to whom*)
- Other

(c) INDIVIDUAL PROFILE

1. PRIOR EMPLOYMENT STATUS OF POTENTIAL DIRECT JOB CREATION PROGRAM WORKFORCE ==

- Current status of employment (employed, under/unemployed, inactive):
 - Employed by whom
 - How many days per week, how many hours per day, per month
 - Sector and type(s) of work (with/without social security benefits)
- Unpaid “help” provided to other members in the household during their work day(s) at the paid household member’s place of work
 - Record duration, type and tasks performed in unpaid family work
- Daily wage received (*expenditure pattern and degree of decision making*)
- Identify presence and number of migrant workers in the household, their contribution to household income and duration of absence from household
- Identify if the individual is a recipient of programs of employment protection and/or employment promotion
- Identify if the individual receives any cash transfers (*expenditure pattern and degree of decision making*)

The purpose of this module is to establish for each household member whether employed full time; part time; unemployed-underemployed; inactive (and reason; in formal employment-informal employment (own account worker)-inactivity; work history to establish existing skills (through current and previous work experience plus household tasks- establish need for skill training); level of earned wages; performing unpaid work tasks and approximate hours spent.

2. INDIVIDUAL INCOME

- Identify the total amount and the sources of individual income; time spent to procure that income; predictability and frequency of receipt of income over the calendar year:
 - Money from business activities

- Salaries and wages received
- Cash transfers (*Specify program and amount(s) received*)

3. UNPAID WORK

- Identify time spent on
 - own production for own consumption: subsistence production
 - contributing family labor (for hire or for family enterprise)
 - collection of any free goods
 - water collection and sanitation in lean season
 - food preparation
 - care of children, elderly, disabled persons.

The purpose of this module is to establish for each household member their time contribution to unpaid production and care activities. Ideally, a time use survey would provide this information. Alternatively, a short task list can reveal the following information.

4. INDIVIDUAL ASSETS AND DEBTS

- House and land (owned, rented, form of access to land, land tenure etc.)
- Animals
- Means of transportation if any
- Household appliances
- Savings (*formal and informal schemes*)
- Debts, credits (*to whom*)
- Other

Many assets are usually reported as common property of the household but it is important to establish through contextual questions such as 'what was the money source that allowed purchase of the item? Whose decision was it to purchase it? Who would ultimately decide to sell the item?'

