

Multi-year Expert Meeting on
ENHANCING THE ENABLING ECONOMIC ENVIRONMENT AT ALL LEVELS IN SUPPORT OF
INCLUSIVE AND SUSTAINABLE DEVELOPMENT,
AND THE PROMOTION OF ECONOMIC INTEGRATION AND COOPERATION
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Improvement of Formal Childcare under Harsh Austerity: The Greek Paradox

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



**LAYING THE FOUNDATIONS
FOR A NEW CARE ECONOMY
UNDER HARSH AUSTERITY:
THE GREEK PARADOX**

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THE GREEK AUSTERITY EXPERIENCE IS UNIQUE: STATE-LED DEPRESSION

Three Economic Adjustment Programmes (2010-2018)

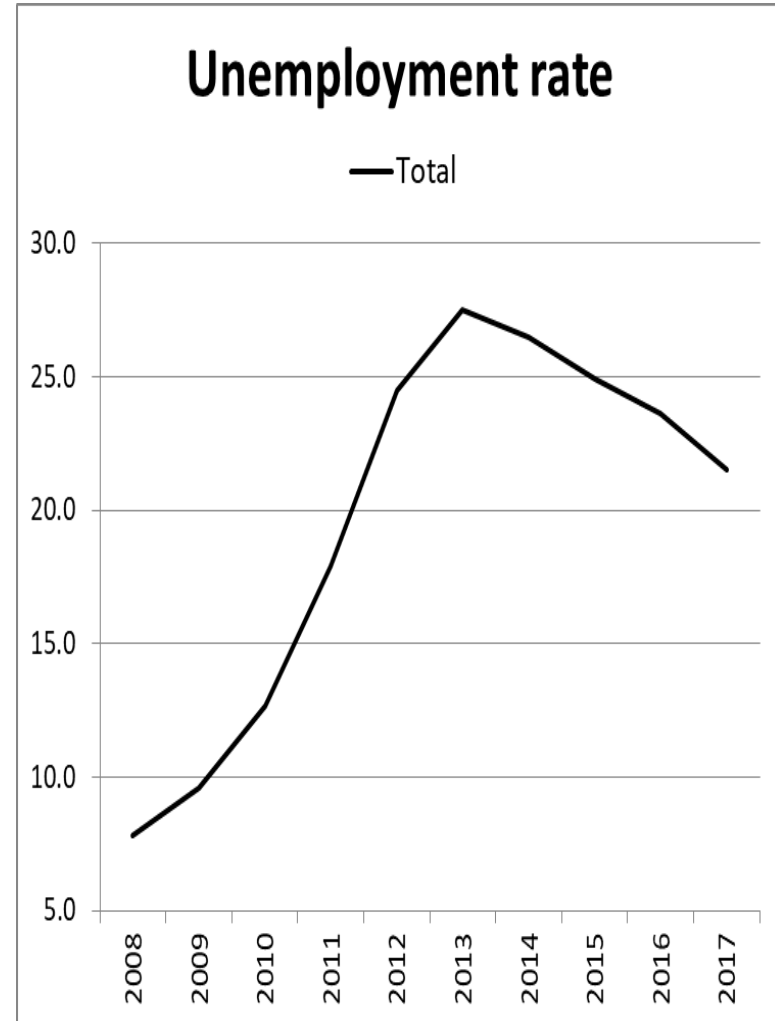
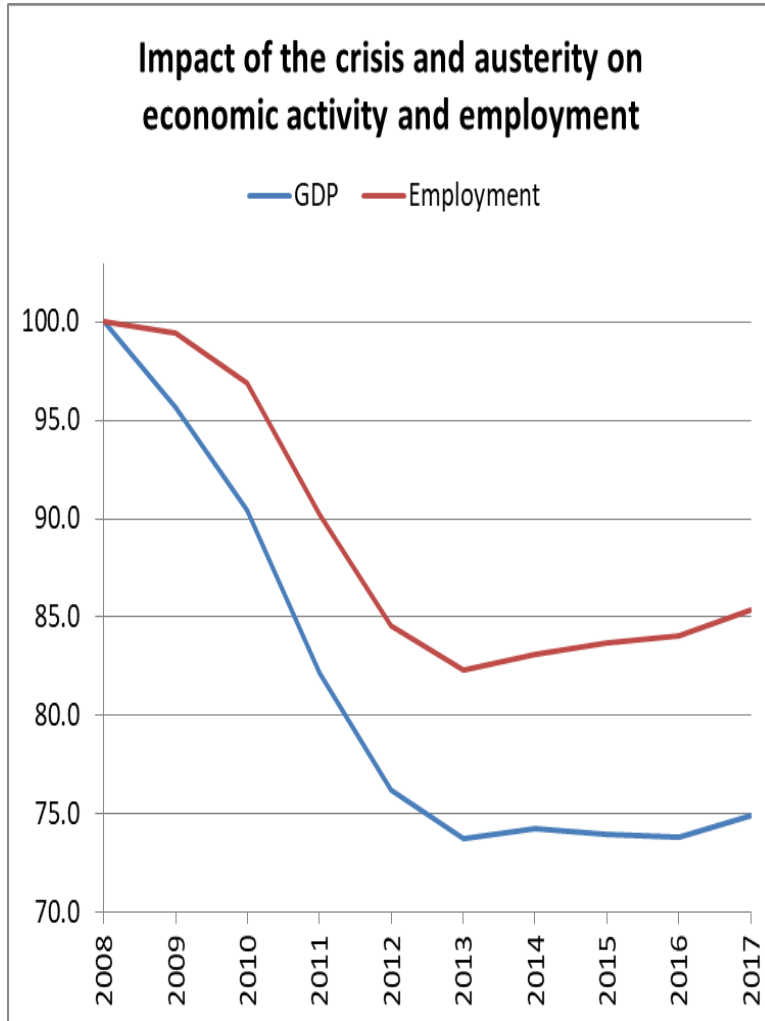
- Fiscal consolidation = 21,4% of GDP in 4 years
- Neoliberal 'structural adjustment' Goal: Internal (wage-price) devaluation of 20% in 4 years
- Reduction in social spending by 25% between 2009 and 2014.
- Labour market deregulation

Patent failure of two recipes of **economic orthodoxy**:

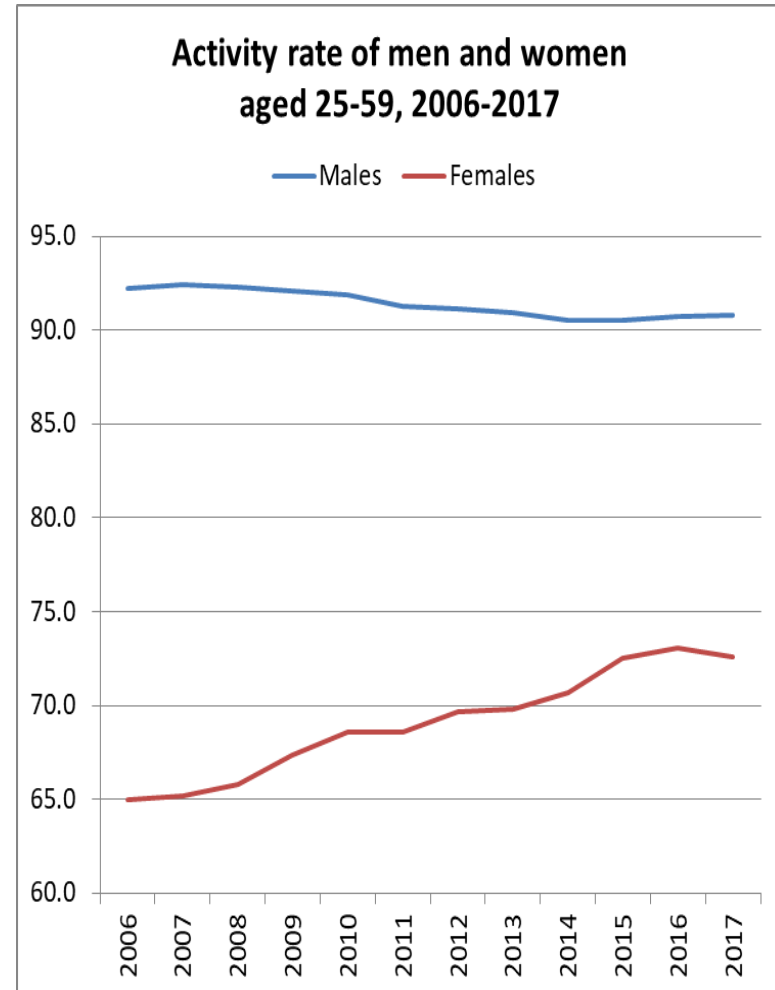
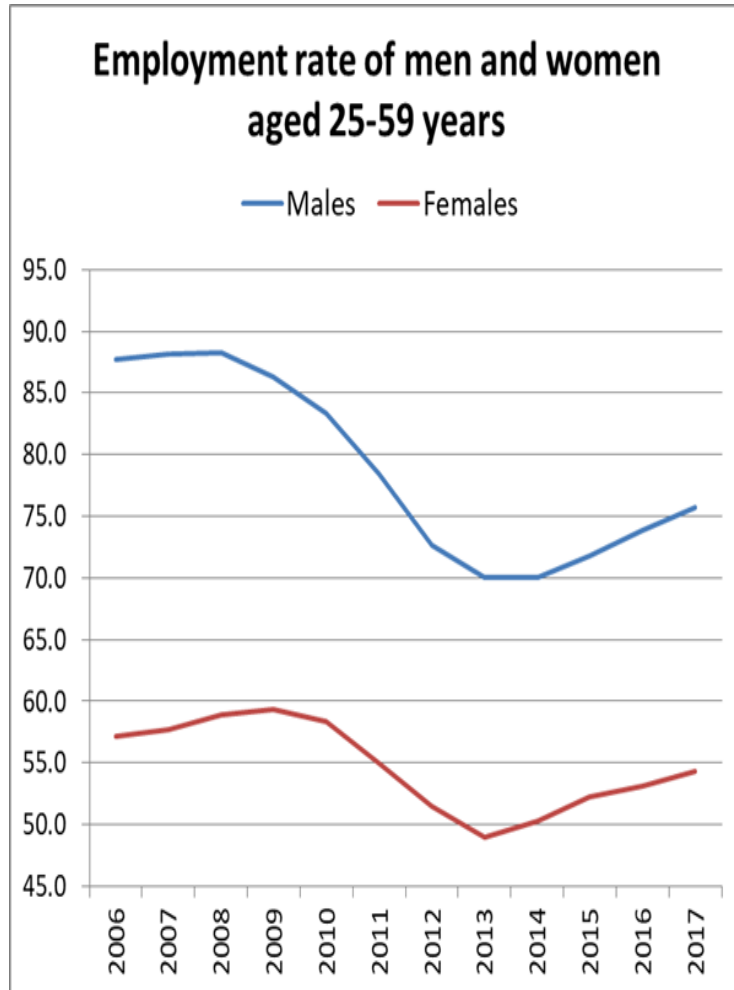
- Austerity can be expansionary
- Reducing unit labour costs can restore competitiveness

- 2010-2013: Fiscal consolidation + wage devaluation generated an austerity-recession spiral - devastating economic + social effects
 - 2015 Newly elected Left government opposed austerity/ credit crunch and capital controls imposed by creditors/ menace of Grexit from Eurozone
 - 2015-2018: Third Economic Adjustment Programme – Milder austerity – new policy mix: no wage cuts, public spending stabilized, primary surpluses from tax and privatisation revenues
 - Economic stagnation in 2015-2016 / Economic recovery in 2017-2018 – Rise in employment by 8% between 2014 and 2018, reduction in unemployment by 7.5 p.p.
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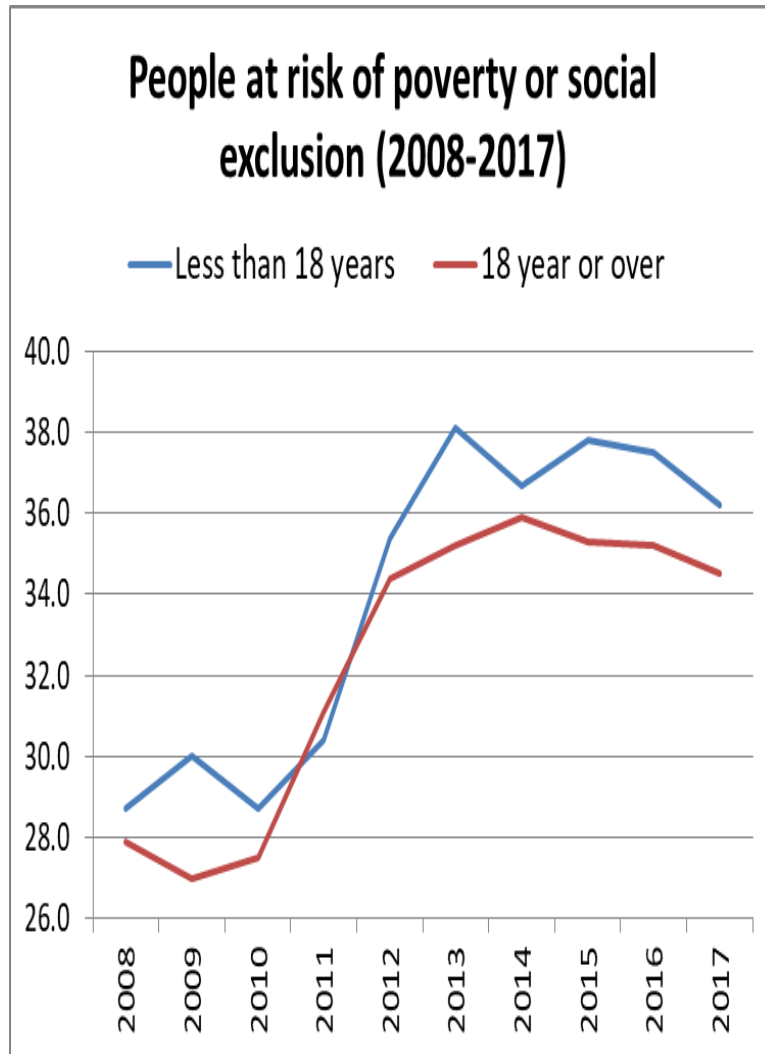
DEVASTATING EFFECTS: ECONOMIC DEPRESSION AND EMPLOYMENT CRISIS



MALE EMPLOYMENT MORE SEVERELY HIT DURING THE RECESSION AND MASSIVE ENTRY OF WOMEN TO LM



ESCALATING POVERTY HAS TRIGGERED THE REVIVAL OF SOCIAL POLICY UNDER THE LEFT GOVERNMENT



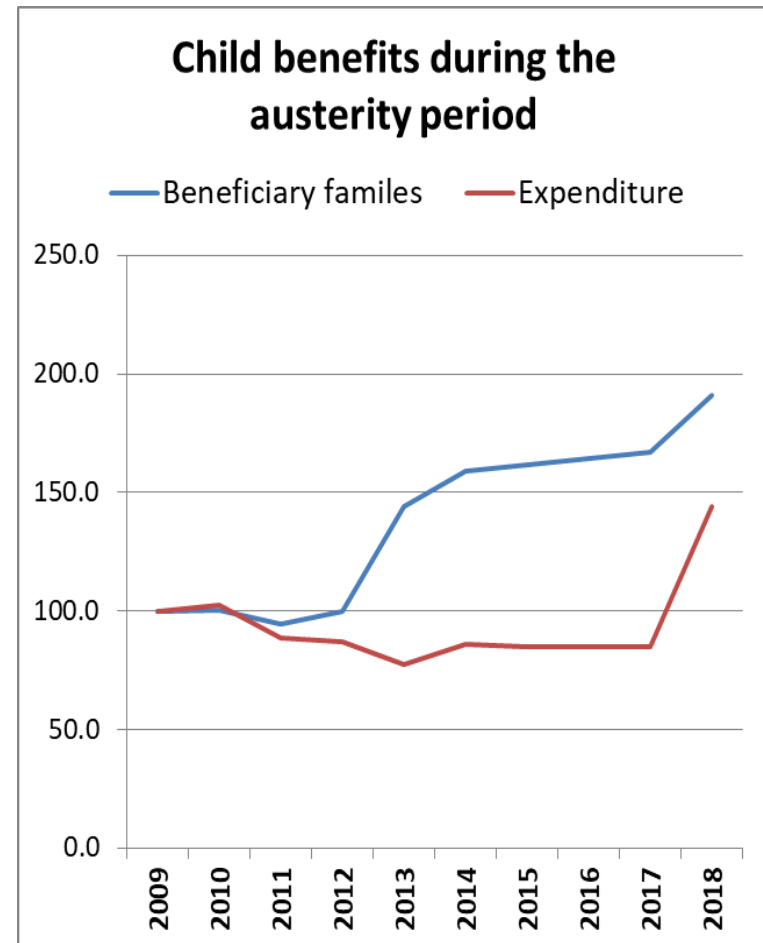
- Rise in relative poverty and social exclusion under austerity from 28% in 2009 to 36% in 2014
- Increase in jobless households and long term unemployment (use of public works schemes and introduction of Social Solidarity Income)
- 1/3 of population were deprived from health insurance for (free access to NHS)
- National Health System in a state of collapse (hires of personnel under special employment schemes)
- Care deficit – impoverished lower income groups unable to pay fees to municipal nurseries and middle classes unable to buy private care services for children and elderly (programme of free access to services)
- Skyrocketing of child poverty (family and child policy)



Steps towards a comprehensive child policy

- Reorganization of **child benefits** (benefits for the 1st and 2nd child introduced for the first time in 2012)
- Programme of **free access to childcare services** for low and medium income families
- **Extension of compulsory preschool education** from 1 to 2 years (initiated in 2018)
- Programme of **free school meals** to primary school pupils (initiated in 2017)

72% increase in expenditure on child policy between 2014 and 2018 (ESF funding crucial)



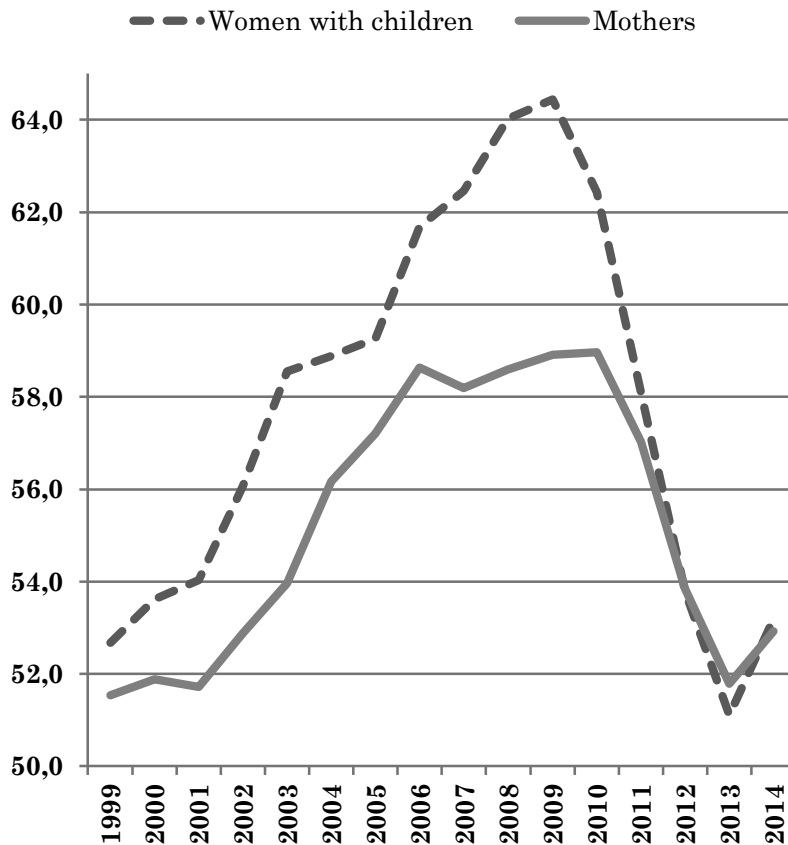
IMPROVEMENT OF FORMAL CHILDCARE WITH ESF FUNDS

Programme for the reconciliation of family and working life (free access to crèches, nurseries etc.)		
<u>School year</u>	<u>Number of children placed</u>	<u>Coverage rate (%)</u>
2009-10	17,785	91.4
2010-11	26,727	86.6
2011-12	48,360	71.8
2012-13	57,534	67.8
2013-14	68,526	83.6
2014-15	80,326	82.3
2015-16	81,003	75.1
2016-17	101.619	83.6
2017-18	118.353	80.1
2018-19	127.632	79.1

Formal education and care services (public and private)					
Coverage (%) of children					
		<u>2010</u>	<u>2014</u>	<u>2017</u>	<u>EU 2017</u>
Children under 3		8	13	21	34
Children aged 3 to 6		69	65	84	84
Children aged 6 to 12		87	92	91	95

A NEW CARE ECONOMY OUT OF THE ASHES OF THE CRISIS: A CHILD-CENTERED NOT A GENDER EQUALITY PERSPECTIVE

Employment rate of women aged 25-54 years with and without children 0-14 years



National Action Plan 2018-2021

- Full implementation of the second year of preschool education by 2021
- Full coverage of children under 3 years by formal care services by 2021
- Subsidies to municipalities to create additional places in public crèches and nurseries and improve the quality of infrastructure
- Full coverage of primary school children by free meals at school by 2021

NEW CARE ECONOMY

- Obligation of the state to provide to all children quality care
- Move in favour of public provision re the public-private welfare mix
- No gender equality perspective

