# Child poverty and child-well being in the European Union

## Policy overview and policy impact analysis

## A case study: Greece

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# 1. The nature of child poverty and the underlying factors

## 1.1 The children affected and their characteristics

Child poverty in Greece is high and (on some evidence) rising. According to the latest EU-SILC data, in 2007 it stood at 23.2%, compared to 19.1% in the European Union as a whole. Moreover, child poverty seems to be deep: 9.7% of children aged 0-17 (compared to 6.2% in the EU) lived in households with an equivalent disposable income below 40% of median. As a result of this, the child poverty gap (at 60% of median) is also larger in Greece than in the EU (29.0% vs. 21.4%).

Nor is the picture any more reassuring in terms of material deprivation: 19.7% of children in Greece lived in households unable to afford at least 3 out of 9 basic items (compared to 17.4% in the EU as a whole), while 10.9% were both materially deprived and poor (vs. 8.0% in the EU).

Furthermore, while in the recent past poverty in Greece tended to be lower for children than for the general population, this does no longer appear to be the case: the child poverty rate in 2007 was between 2 and 4 percentage points higher than the overall poverty rate, depending on the poverty line chosen.

Who are the poor children in Greece? With respect to family type, the poverty rate is highest among couples with three or more children (29%) and lowest among couples with one child (17%), while the poverty rate among couples with two children was 23%. Nevertheless, given that almost six out of ten children in Greece lived with their parents and one brother or sister, this family type accounted for as many as 57% of all poor children (compared to a modest 29% in the EU as a whole).

Compared to elsewhere in Europe, single parent families in Greece are rarer, accounting for 4% of all children (11% in the EU). As a result of this, while in the EU as a whole 22% of poor children lived with only one of their parents, the corresponding rate in Greece was 6%.

With respect to age, children with a father and/or mother below 30 have a significantly higher poverty rate. However, in view of current demographic and fertility trends, young parent households (defined as above) account for little more than 10% of all children. There is much less variation with respect to the child's age, with below average poverty rates in the age group 0-5.

In terms of labour market participation, approximately 40% of all children in Greece live with two parents working full-time, 40% again with one parent working full-time and the other not working, while the remaining 20% is split between various other activity combinations[1]. Needless to say, poverty rates are far lower in families where both parents work full-time (7.0%) than in those where the father (as is almost always the case) works full-time and the mother stays at home (28.6%). The latter case accounted for over 55% of all poor children (compared to 37% in the EU as a whole).

On the other hand, even though children in jobless households experienced a high poverty rate in Greece (58%, compared to 68% in the EU as a whole), their lower population share meant they accounted for a mere 9% of all poor children (vs. 25% in the EU).

Education is known to be one of the strongest predictors of poverty in Greece (Mitrakos and Tsakloglou 2006). According to the latest evidence, 58% of poor children had a father with low education and only 9% a father with a university degree or equivalent. This contrasted with the EU as a whole, where the education gradient was less marked (43% and 10% of all children in poverty respectively). The correlation of child poverty and mother's education was very similar.

Urbanisation seemed to play a significant role, since child poverty was twice as high in rural areas (31%) as in urban or semi-urban ones (16% to 18%).

[1] Note that in the EU as a whole, the polarisation between one- and two-earner couples with children, where working parents have full-time jobs, is significantly less pronounced (30% and 26% of all children respectively in 2006).

Self-reported health also mattered: living with a chronically ill parent increased the risk of child poverty by 12%, while living with two healthy parents lowered it by 1% (the corresponding effect in the EU as a whole was +10% and -6% respectively).

Finally, migrant status appeared to make a large difference with respect to child poverty. In 2007, the poverty rate for children both of whose parents were born outside the EU was 43%, i.e. almost twice as high as the general child poverty rate. Even though the number of observations was small, which gives rise to some uncertainty in the precise value of the estimate, the risk of poverty was well below the national average (11%) in the case of migrant children in two-earner families, but extremely high (70%) for single-earner ones. With respect to household type, and bearing in mind the problem of too few observations, single-parent migrant families and those with more than three children had a much higher poverty rate (78% and 70% respectively) than couples with one or two children (38%).

A recent study by Mitrakos (2008), confirms that child poverty in Greece is significantly affected by low education, low work intensity and large family size. Using data from the 2004-5 Household Budget Survey he is able to analyse the distribution of expenditure as well as of income, and to include non-monetary items such as imputed rent and own consumption. He finds that child poverty, estimated at 21.9% on the basis of monetary income, falls to 20.4% when imputed items are included. He also finds that child poverty in terms of monetary expenditure is only 12.4%, rising to 13.2% if imputed items are included. His explanation for this finding is that individuals (especially parents) strive to maintain an adequate level of consumption even when income is low.

Mitrakos (2008) also finds that immigrant households with dependent children face a higher risk of poverty, and estimates it at +37% in terms of monetary income, rising to +231% in the case of expenditure (including imputed items). In an earlier study, Zografakis and Mitrakos (2006) found that immigrants experienced higher poverty and worse housing conditions than other households.

The above raises the issue of statistical coverage and exclusion. Since surveys only cover private households, the data by definition exclude children living in institutions, homeless children and others likely to be particularly affected by poverty. In addition to that, both immigrant and Roma households are under-represented in the HBS as in EU-SILC. Given that both poverty rates and the average number of children are higher among immigrants and the Roma than they are among the non-Roma native-born population, sampling bias is likely to cause estimated child poverty to be significantly below the real but unknown rate.

## 1.2 Trends

There is some evidence that child poverty in Greece is now rising after a long period of stability.

Mitrakos (2008) argues that the increase in child poverty (from 20.5% in 2004) is indicative of real change not statistical artefact. Bouzas (2005) found the child poverty rate to be on an upward trend, rising from 19% in 1995 to 21% in 2000 and 23.5% in 2003. Earlier data from the European Community Household Panel (Social Protection Committee 2008 p.18), the Luxembourg Income Study and the OECD (Whiteford and Adema 2007 p.13) showed little fluctuation in the child poverty rate from the early 1980s to the beginning of the current decade.

## 1.3 Absolute poverty

Munzi and Smeeding (2005) estimated the absolute poverty rate in Greece for children aged 17 or less at 31.6%. They set the absolute poverty line at the level of the official US poverty line, adjusted for price

levels and household size. On that count, they found absolute child poverty in Greece to be the highest among the 11 developed countries covered by their study (the average rate was 12.5%)[2].

An earlier study of extreme poverty in Greece (Matsaganis et al. 2001) found that 4.7% of children (aged below 16) lived in households with income under a plausible guaranteed minimum income threshold. The threshold was defined by reference to the social pension, at approximately €4,800 per year for a couple with two children (in 2000). The study provided documentation and support for a proposal to introduce a guaranteed minimum income scheme in Greece which, as the next section makes clear, remains non-existent.

[2] Arguably, the poverty line chosen by Munzi and Smeeding (2005) was too high for the purpose of estimating absolute poverty in the sense of income below subsistence level.

# 2. Impact and effectiveness of policies in place

## 2.1 Overall policy approach

*Main features of policy*

A review of Greece's 2006-8 National Strategy Report on Social Protection and Social Inclusion concluded that "combating child poverty in Greece has not as yet become a key priority for social policy" (Ziomas et al. 2007).

The 2008-10 National Strategy Report confirms this remains very much the case, notwithstanding the Report's claim that the child poverty rate "is expected to drop" from 23% in 2006 to 18% in 2013 (Greece 2008, p.26)

In general, public policy in Greece seems to rely on the present mix of cash benefits and active labour market policies (the latter mostly financed by the European Social Fund), with official documents betraying no perception of a need to change direction.

In contrast, all available studies with no exception (Papatheodorou 2005, Matsaganis et al. 2006, Mitrakos 2008, Social Protection Committee 2008) show that the capacity of the current policy mix to combat child poverty with the required effectiveness is considerably limited.

## 2.2 Income support

In Greece, social transfers to families are mostly targeted to those with three children or more. In view of that, poor children in smaller families receive little or no income support. The categorical nature of social assistance and the absence of a guaranteed minimum income scheme in Greece (Matsaganis et al. 2003) compound the problem and leave serious gaps in social protection.

The present report confirms this using the latest EU-SILC data for 2007. More specifically, social transfers (other than pensions) contributed a mere 5.4% to the income of families with children, compared to 16.5% in the EU as a whole, while the average income share of family transfers was 1.3% and 8.0% respectively.

Furthermore, large families received a disproportionate share of what income support there was. The value of family transfers to couples with three or more children in 2007 was 5 times higher than that household type's population share.

With respect to the distribution of family transfers in Greece, 48.2% of the total amount of benefit was received by the richest 30% of families, while only 29.3% was received by the poorest 30%. The corresponding figures for the EU as a whole were 20.5% and 36.4% (data for 2006).

In view of the above, the poverty reduction impact of social transfers is weak. As a proportion of all children who would have been poor in the absence of income transfers, a mere 5.2% escape poverty due to family transfers and 12.3% due to all social transfers other than pensions. This compares very unfavourably with 20.6% and 42.0% in the EU as a whole.

The main policies of income support to families with children currently in force in Greece can be summarised as follows:

*Non-contributory benefits to large families*

"Third child benefit" is paid to families with a 3rd child aged up to 6, irrespective of income. The monthly rate in 2009 was €174.28, while the number of recipients was 55,524.

"Large family benefit" was originally targeted to families with four or more children.

In 2008, all benefits received by large families, hitherto defined as those with at least four children, were extended to those with three children. The level of benefit depends on the number of dependent children, defined here as unmarried and aged below 23. The base monthly rate in 2009 was €43.55 (per eligible child), while the number of families receiving benefit was 243,016.

A "lifetime pension" is paid to mothers no longer eligible for large family benefit because their children have all grown up [3]. The number of recipients in 2009 was 176,355, and the monthly rate was €100.24.

### *Birth grants*

A "birth grant" worth €2,000 is paid (since 2006) as a lump sum to mothers giving birth to a third child. An estimated 10,537 mothers claimed in 2008[4].

A less generous birth grant is paid to mothers not eligible for contributory maternity benefits either as workers or as dependent family members. In 2009, €440.20 (unchanged since 1997) were paid to each of the 390 mothers (in 2007) claiming the grant.

### *Single parent benefits*

Income-tested "unprotected child benefit" is funded by central government but delivered by local authorities at prefecture level.

Beneficiaries are low-income single parent families, or households "protecting" orphans to whom they are related (foster families are not eligible). The income threshold is €2,820 per annum for a family of three, increased by €250 for each additional member. The monthly rate in 2009 was €44.02, while the number of recipients was 20,707 (in 2007). Income threshold and benefit rate were last adjusted in 1997.

A similar "single parent benefit" is provided in a small number of emergency cases by social services. The eligibility criteria are unclear and likely to be discretionary, but include income below €2,817 per annum. Beneficiaries cannot receive unprotected child benefit. The monthly rate in 2009 was €105.65 (one child) and €148.20 (two children), and the number of recipients was 250 (in 2001).

### *Contributory family allowances*

Contributory family allowances are paid to civil servants, while similar arrangements operate in some sectors, for instance in banking, in the context of collective agreements. Private sector employees not covered by such arrangements are eligible for family allowances provided by the Manpower Employment Organisation *ΟΑΕΔ*. In 2009, the latter were worth €24.65 per month for a family with two children, while the total number of recipients in 2008 was 397,079.

### *Child supplements to other benefits*

Supplements are available for recipients of social benefits with dependent children, defined as individuals aged below 18 (below 24 if in full-time education). More specifically, supplements increase the base rate of benefit by 10% in the case of unemployment benefits, by 16% in the case of contributory housing allowance (*ΟΕΚ* rent subsidy), by 2% in the case of non-contributory farmer pensions, and by 20% in the case of contributory old-age, survivor and invalidity pensions. Supplements are per child, with the number

[3] In this sense, it is highly questionable that the lifetime pension can be classified as income support to families, even though the Greek government clearly believes it can.

[4] Birth grant, lifetime pension, third child benefit and large family benefit are all provided on a non-contributory basis by the Agricultural Insurance Organisation *ΟΓΑ*. Furthermore, since 2007 they are all exempt from tax.

of eligible children typically capped at three. Child supplements to contributory pensions are 15% for the second and 10% for the third eligible child.

### *Tax allowances and credits*

Personal income taxation provides tax allowances for dependent children. These extend the no-tax area by €1,000 per year for tax units with one child, by €2,000 per year for two children, and by €10,000 per year for tax units with three or more children. The value of the tax allowance is highest for single-earner tax units with a taxable annual income of €22,000 or above, where it is worth €150 a year for one child, €250 for two children, and €1,850 a year for three children or more.

In addition to the general tax allowance, families with children aged 6 to 16 and an annual income below €3,000 can claim a refundable tax credit. The tax credit is conditional on school attendance and is worth €300 per child per year (unchanged since its introduction in 2002). About 25,300 tax units benefited in 2007.

## 2.3 Access to the labour market and income from employment

### *Access to the labour market*

According to the 2008-10 National Strategy Report, "equal opportunity and access to employment continue to remain the main goal in order for the country to eliminate poverty risk". The Report cites the increased number of beneficiaries from active employment policies for vulnerable groups and the upgrading of public employment services as the main instruments in this direction.

It is true that active labour market policies (funded under the European Social Fund) have involved hundreds of thousands in recent years. Nevertheless, no systematic assessment of the impact of these policies in terms of job creation (net of displacement and other effects) has ever been undertaken. Against this background, female employment remains low (47.9% in 2007, up from 41.8% in 2000), and youth unemployment high (22.9% in 2007, up from 29.2% in 2000)[5].

The distance in terms of female employment between Greece and the rest of Europe is particularly great in the case of mothers looking to return to the labour market when their children have grown a bit. According to data from the latest EU LFS survey, women aged 25-49 living in couples with children aged 0-2 have an employment rate of less than 54%, barely rising to 55% for those with children aged 3-5 and to 60% for those with children aged 6-11. By comparison, the EU average is 58%, 66% and 71% respectively. Note that in contrast to mothers, the employment rate of single women is quite close to the European mean (83% vs. 84%), while that of fathers is actually higher in Greece than in the EU as a whole (97% vs. 92%).

In other words, the main reason Greece is lagging behind other EU countries (and behind Lisbon targets) is the poor employment record of mothers, especially the slow return of those previously employed, and the fact that too many drop out altogether into inactivity. From the perspective of increasing female employment, as well as that of combating child poverty, reconciliation of work and family life is urgently needed.

### *Flexible working arrangements*

According to official statistics, non-standard employment in 2007, defined as fixed-term, part-time or both, involved 13.5% of workers in Greece, compared to 32.1% in the EU-15 and 28.8% in the EU-27 (European Commission 2008). According to EU-LFS data, a mere quarter of employed mothers in Greece

[5] Female employment is the number of employed women aged 15-64 as a percentage of all women in the same age group (European Commission 2008, p.2), while youth unemployment is defined as the number of unemployed persons aged 15-24 as a percentage of all economically active persons in the same age group (European Commission 2008, p.13).

work part-time, compared to approximately half in the EU as a whole. Full-time work on a permanent/indefinite-term contract remains very much the norm.

In general, the Greek labour market is characterised by a sharp divide between a rigidly protected formal segment on the one hand, mainly consisting of the public sector and the recently privatised banks and utilities, and a large unregulated segment of smaller firms on the other hand, providing precarious, informal and sometimes altogether unregistered jobs on more flexible terms. A large number of self-employed workers (including an unknown number of dependent workers forced by employers to register as "external collaborators") complete the picture.

Within the formal segment itself, legislated arrangements distinguish between the public and the private sectors. In the public sector, women and especially mothers enjoy considerable privileges, including the right to maternity leave (20 weeks on full pay), followed by a choice of either extra 9 months of maternity leave or reduced working time by 2 hours a day in the first 2 years after childbirth plus another 1 hour a day for the next 2 years after childbirth (both on full pay), followed by the right to unpaid childcare leave of up to 2 years until the child's 6th birthday, followed by the right to unpaid leave of up to 2 years "for serious personal reasons" including caring for a relative, plus a host of other favourable arrangements.

In the private sector, legislated arrangements are much less favourable: maternity leave of 17 weeks on full pay, followed by the right to reduced working time by 2 hours a day in the first year after childbirth plus another 1 hour a day for the second year after childbirth (both on full pay), followed by the right to unpaid childcare leave of up to 3½ months until the child is 3½ years old.

Nevertheless, for a variety of reasons these social rights remain theoretical in many private firms. Employers react to the implicit cost of legislated arrangements, either by not hiring young women who might soon become a liability, or by offering less favourable terms to female employees in the event of pregnancy. Needless to add, in much of the informal end of the labour market, where hundreds of thousands of young immigrant low-paid women are employed, legislated arrangements are simply ignored[6].

### *Childcare*

According to the latest EU-SILC data, the proportion of infants aged below 2 not in childcare was in 2006 about 47% (that is, a mere half percentage point above the EU average). However, most infants in childcare were cared for informally (38% of the 0-2 age group), 5% were looked after by a professional childminder, and only 10% were in pre-school or centre-based childcare. In the EU as a whole, the corresponding figures were 18% (informal), 7% (childminder) and 28% (pre-school or centre-based) respectively.

The under-provision of formal centre-based childcare persists in the 3-5 age group, where 62% of children were in pre-school (83% in the EU). In Greece about 1 in 4 children of that age were not in childcare of any kind, compared to 1 in 10 in the EU as a whole. Out-of-hours centre-based facilities covered 5% of children aged 3-5 and 10% of those aged 6-11, while the corresponding coverage rates for the EU as a whole were 9% and 19% respectively.

EU-SILC data provide no information on the cost of childcare to parents at the point of use, nor do they distinguish between public and private providers. Nevertheless, earlier studies found that the public/private mix in centre-based childcare was roughly 75/25 in the 1990s (Symeonidou et al. 2000), while a more recent survey estimated the average monthly fee charged in private childcare centres at €295 against €50 in public ones (Matsaganis and Gavriliadi 2005)[7]. Since most public childcare centres are run by local government, pricing policies differ widely. Some municipalities subsidise childcare services fully, though most apply income-related fee structures. Since places are typically limited, priority is given to mothers already having a job (rather than looking for one).

[6] For a recent "feminist critique of legal formalism" see Lyberaki (2009).

[7] The survey covered 181 public and 15 private childcare centres in the Athens area, accounting for 11,000 and 750 children respectively. It also found that nannies charged about €500 per month, while domestic workers baby-sitting were paid about €300 per month (Matsaganis and Gavriliadi 2005).

Note that childcare provided informally, typically by grandmothers, implies no (monetary) cost to the families concerned, while the services of professional childminders are privately paid for.

*Ensuring adequate income from work*

According to EU-SILC data, the in-work poverty rate in 2006 was 14% in Greece compared to 8% in the EU as a whole. EU-SILC data, cited in the 2008-10 National Strategy Report on Social Protection and Social Inclusion show that in-work poverty in Greece is much higher for low- than for high-skilled workers (23% vs. 5%), for those employed on fixed-term or temporary contracts than for those on permanent or indefinite-term ones (19% vs. 4%), for foreign-born than for Greek workers (20% vs. 13%). Because of household composition effects, in-work poverty is also higher for male workers than for female ones (15% vs. 12%).

A statutory national minimum wage is in place (€739.56 monthly in 2009). The national minimum is higher for married workers (813.52 monthly), and rises with seniority (up to €946.84 monthly for workers with at least 9 years of experience, or €1,020.80 if married). Over the last decade or so the statutory minimum has lost ground relative to average earnings and currently stands at 45%, down from 55% in the mid-1990s (INE 2008 p.186).

In practice, in many private firms previous work experience is often ignored, and earnings are set at the absolute minimum (i.e. currently approximately €740 monthly). Moreover, in the informal segment of the labour market, workers are typically paid below the minimum.

In an attempt to boost low earnings, a social insurance contributions rebate was introduced in 2000. Workers earning up to 5.5% above the minimum wage are entitled to a full refund of their social contributions for pension insurance (6.67% of gross wage). The value of the rebate in 2009 was €45.40 monthly. In 2002, the last year for which data were available, the scheme benefited approximately 31,000 workers.

## 2.4 Access to other enabling services

*Housing*

According to the latest EU-SILC data, in Greece 67% of children below the poverty line lived in owner-occupied housing in 2006, and 24% in privately rented dwellings, the rest being in families paying reduced rent (1%) or no rent at all (8%). This contrasts strongly with housing tenure in the EU as a whole, where – as far children below the poverty line concerned – owner occupation is lower (47%), the private rental sector a bit more extensive (27%), and partly or fully subsidised rents much more common (17% and 9% respectively).

The relative under-development of social housing in Greece and the bias of public policy in favour of owner occupation leave poor families with children unprotected. Median housing costs in 2006 amounted to 48% of the disposable income of families with children below the poverty line in Greece, compared to 30.5% in the EU as a whole[8].

Public assistance with housing costs is mainly provided via the Workers' Housing Organisation *OEK*. Private sector employees with the required contributory record can claim an income-tested "rent subsidy". Eligibility requirements depend on personal and/or household characteristics. For example, covered workers with two dependent children were eligible for a housing benefit worth €165 per month if their annual income did not exceed €16,000, and if their contributory record extended to at least 1,600 insurance days (or 1,200 if in temporary employment, or 700 if single parent). The number of subsidised families has risen steadily in recent years as eligibility criteria have become less stringent: in 2007 there were 101,868 recipients, compared to 32,712 in 2001.

[8] In the EU-SILC, housing costs are defined as payments for rent or mortgage interest (though not capital repayments), plus the costs of fuel, maintenance and repairs, less housing allowances (net of taxes).

### *Education*

It has been estimated that 14% to 15% of the relevant age group failed in 2006 to complete upper secondary school (*Lyceum*), while 6% did not even make it to the end of lower secondary school (Gymnasium) which is compulsory.

Drop-out rates are significantly higher among Roma and immigrant children, as well as those in vocational training. According to the 2008-10 National Strategy Report "the year 2013 is set as a target to restrict early leaving from school to a level below 10%, while the intermediate target is to reduce early leaving from school to 12.5% by 2010".

Nevertheless, realities can be very different "on the ground". This was recently illustrated by the case of a primary school in Athens, where about 70% of the students are migrants. For a number of years, the headmistress with the teachers had successfully worked to make the school a model of multicultural education. Nevertheless, in a bid to reinforce the "Greek orthodox character of state education", the Ministry of Education terminated the programmes, removed the headmistress and – rather incredibly – took legal action against her for having allowed the use of school buildings for out-of-hours courses in the immigrant students' mother tongue (GeMIC 2009). At the time of writing (July 2009), a campaign in support of the former headmistress on the part of left-of-centre parties, teachers' unions, citizen groups and progressive media is in full swing, while her trial has now been postponed for 22 January 2010.

### *Health*

Access to basic health services is severely restricted in the case of undocumented migrants and, to some extent, the Roma. A recent survey concluded that "since a law was passed in 2001, it has been nearly impossible for undocumented migrants to have access to health care outside life-threatening hospital emergencies" (Médecins du Monde 2007 p.10).

Moreover, a recent study of the uptake of hepatitis vaccination in the child population of Greece (Panagiotopoulos 2007) found that coverage rates for HepB-3 (1st grade) were lower for Roma (59%) and immigrant (91%) children compared to non-minority ones (96%), while coverage rates for HepA-2 (1st grade) were 41% for non-minority children, but only 15% for immigrant ones and virtually zero for Roma.

# Conclusions

Despite occasional hints to the contrary, combating child poverty does not appear to be a policy priority in Greece.

With respect to cash transfers, even though the comparatively generous arrangements in favour of families with 4+ children were recently extended to families with 3 children, the clear majority of children (that is, those living in less numerous families), including most children below the poverty line, receive little or no income support.

Furthermore, the absence of a general social safety net, the rudimentary character of social assistance and the categorical nature of what assistance there is, ensure that the social protection system in Greece can do little, in its present form, to prevent child poverty.

The consolidation of the various family allowances and large family benefits into a universal child benefit, payable at a flat rate from the first child, would be consistent with standard arguments for horizontal redistribution (from single individuals and childless couples to families with children), and go a long way towards providing poor families with a low but significant income base[9]. On the other hand, as the recent experience of other countries – including Portugal – has shown, the introduction of a guaranteed minimum income scheme would provide a focus for a concerted anti-poverty policy effort at modest cost.

With respect to childcare, the supply of places in publicly-subsidised centres lags behind demand, while the services of private providers remain beyond the reach of most poor families. Improved provision of affordable childcare is a key requirement for the increase in female employment that is necessary for the country to achieve a significant reduction in child poverty.

Labour market conditions are far from favourable for mothers. Public sector jobs are coveted by many women for the security and protection they offer. Outside the public sector, pay is relatively low, labour legislation is applied erratically if at all, and work arrangements are inflexible – at least from the perspective of employees. As a result of that, reconciling work and family responsibilities remains a struggle, which explains Greece's record in terms of low fertility as well as low female employment. Reforming labour markets is a notoriously fraught process. However, it is difficult to see how things can improve unless rigidities in the formal sector as well as precarious conditions in the unregulated sector are simultaneously tackled. In certain cases, this may necessitate a twin approach under which present arrangements are reformed in a more employer-friendly direction, then enforced and policed more effectively than is currently the case. In particular, rather than expecting employers in small firms to bear the costs of maternity leave, the socialisation of such costs through public funding coupled by a more systematic enforcement of the new arrangements could go a considerable way towards neutralising discrimination against young married women in the labour market.

With respect to housing, the relative under-development of social housing and the provision of housing assistance on a contributory basis only mean that affordable housing is not available to a large number of families below the poverty line. Moreover, current policies are quite incapable of coping with emergencies such as those associated with the sudden influx of a large number of undocumented immigrants. Once again, strengthening public provision and introducing housing benefits on a means-tested basis regardless of labour market affiliation would set the stage for a more robust housing policy, better suited to the needs of poor families with children.

Official declarations on the need to reduce the school drop-out rate and integrate immigrant and minority children clash with a rather different reality of resistance to multicultural education on the part of the government and open hostility to immigrant children on the part of some sections of society. The successful integration of immigrant and minority children in the school system is the prerequisite to combating poverty and social exclusion in Greece.

[9] It has been estimated that replacing all current family transfers including tax allowances by a universal child benefit (even a very low one to ensure fiscal neutrality) would almost double the income share of family transfers to the poorest 20% of the population (Flevotomou 2009).

Finally, access to health care is seriously compromised in the case of undocumented immigrants, the Roma and other minorities. Universal provision of basic health services is a key component to any serious effort to combat child poverty and improve child welfare in the country.

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