



7th International Conference, The Economies of Balkan and Eastern Europe Countries in the changed world, EBEEC 2015, May 8-10, 2015

## Structures and financing means of local government's social policy in Greece. A case study of Thessaloniki's municipalities

*Magoulios George<sup>a</sup>, Pretsios Nikos<sup>b\*</sup>*

<sup>a</sup>*Professor, TEI of Central Macedonia (Greece), end of Magnesia str., 621 24, Serres, Greece*

<sup>b</sup>*Postgraduate Studies Program by Accounting & Finance Department, TEI of Central Macedonia (Greece), Papanastasiou 8, 563 34 Thessaloniki, Kordelio, Greece*

---

### Abstract

Greece's residual type of welfare model is facing the past six years an intense pressure caused by the economic crisis (2008) and the emergence of new social risks. Restrictive policies and internal devaluation process adopted to restructure economy, underestimated the social impact. The State, choosing a different welfare model with emphasis on commodification and selective services, gradually withdraws from the implementation of social policy, seeking, through administrative reforms, to transfer responsibilities to local government, without, however, the necessary funding. At the same time, European Union's social policy, despite its rhetoric and some initially ambitious efforts, particularly with the Treaty of Lisbon, shows inability to create a "community acquis", which would contribute decisively to the Europeanization of the southern countries. By applying "soft law" measures and always based on the principle of subsidiarity, European strategy is confined, almost entirely, to an application of employment support measures, primarily seeking to improve competitiveness and meet the financial objectives of Monetary Union. The study of basic economic and social EU-28 indices for the period 2008-2012, confirms that diversification of welfare models has a crucial effect in mitigating income inequality and reducing the risk of poverty, enhancing therefore, the dispute over theoretical approaches that support the adequacy of policies related to economic growth. This paper attempts, given the aforementioned conditions, to present the current situation in local government organizations, both from the structures and the financing means perspective, based on a primary research, conducted for this purpose using a structured questionnaire filled by competent executives of all municipalities in the Prefecture (now

---

\* *Pretsios Nikos. Tel.: (+30) 2310 387447  
E-mail address: [pretsiosnikos@yahoo.gr](mailto:pretsiosnikos@yahoo.gr)*

regional unit) of Thessaloniki. Research findings, though highlighting the efforts to substitute central government's role in an institutional context, constantly under reform, indicate that municipalities are facing significant efficiency problems. Social policy is exercised by different organizational units without integrated strategic planning, new structures which were created primarily to address poverty are inadequate to meet the actual needs and funding is limited in an effort to replace the reduced own resources through European programs, without seeking future alternative sources. The acute lack of human resources and coordination, adversely affects evaluation of local government's social policy. The findings also intensify the concern about structures sustainability and the capacity of municipalities' overall support, but at the same time detect needed interventions in order to implement an efficient decentralized policy, which will become an essential factor of social cohesion and prevent escalation of social exclusion.

**Keywords:** Social Policy, Structures, Financing Means

© 2015 Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of Department of Accountancy and Finance, Eastern Macedonia and Thrace Institute of Technology

## 1. Introduction

This paper attempts to present the current situation regarding social policy implemented by Local Authorities (LAs) in Greece, both in terms of the existing structures operation, and the available financing means. Based on the related literature on social policy and the applied welfare models in EU and Greece, it explores, through primary research, social problems, the established structures to address them, financing means and their effectiveness in relation with peoples' social needs.

## 2. Theoretical Approach

In international literature, social policy is seen as the set of interventions to effect social change and promote social justice (Jansson, 1994, pp. 3-27) and as a social risk management tool (Ewald, 2000, pp. 174-184, Kemshall, 2002, pp. 121-129). Key areas of social policy intervention is health, employment, education, environment, housing and welfare services designed to protect and support vulnerable groups, but above all is the redistributive function, implemented through the mechanisms of the social security system, that legitimates it (Novak, 1988, pp. 3-28).

The study of Danish sociologist Gøsta Esping-Andersen (1990, pp. 26-29) who is considered a main representative of modern social-democratic thinking, on the "welfare-state regimes of capitalism", had a significant influence on the comparative analysis of social policy.

Welfare state as the dominant institution that shaped various models of post-war capitalism is determined by the recognition of social rights, its association with social stratification and interacted relationships between State, family and market. We notice three models: In Liberal model, the State provides assistance in limited cases of low-income groups, who are unable to join the private social security programs. The Conservative - Corporatist regime, accepts the preservation of social hierarchy (that holds status differences) as the base of state's social policy. This is a partially commercialized benefit system where the role of family, church and other non-profit organizations is essential. The Social-Democratic model, crowds out the market and the State provides universalistic quality services. The objective of limiting income inequality is fairly achieved through the promotion of full employment and social equality. Esping-Andersen's classification was broadened by Leibfried's (1991, p. 141) fourth region (Latin Rim) about southern European countries. This model refers to countries showing a delay on the applied social policies and is bounded between the liberal and the corporatist model. The Mediterranean welfare state is a distinction attempted by Ferrera (1996, pp. 17-37), on the basis that social rights are acquired either by being employed or by citizenship. We notice two types, depending on whether it is a pure or a mixed system, in Spain, Portugal, Italy and Greece.

Kleinman (2002, pp. 28-36) categorized welfare states into four types: a) Conservative - corporatist, based on the Bismarck system (Germany, France, northern Italy, Belgium, Netherlands), defined by horizontal redistribution, the pluralist nature of the provided services and with one third of society socially excluded (two-thirds society), b) Social - Democratic, where universal coverage policies and de-commodification of social goods and services are applied (Scandinavia), c) Mediterranean, a welfare model followed by the southern Mediterranean countries (Spain,

Download English Version:

<https://daneshyari.com/en/article/980764>

Download Persian Version:

<https://daneshyari.com/article/980764>

[Daneshyari.com](https://daneshyari.com)