

Manos MATSAGANIS
University of Thessaly and CERES

Fotis PAPADOPOULOS
Athens University of Economics and Business

Panos TSAKLOGLOU
Athens University of Economics and Business, IMOP and CERES

ESTIMATING EXTREME POVERTY IN GREECE

and the cost of eliminating it through a minimum guaranteed income scheme

Abstract

The poverty reducing impact of social transfers is weaker in Greece than in the rest of the EU. Institutional aspects of the country's social protection system (and among them, the absence of a national minimum social safety net) bear much responsibility for this. Interest in the desirability and feasibility of introducing a minimum income scheme in Greece seems to have revived recently. The paper aims to provide answers to key questions about the effects of such a scheme: the extent and depth of extreme poverty in the country, the number of individuals or households likely to be affected by it and its estimated cost. Alternative scenarios about the extent of non-take up by eligible households and leakages to non-eligible ones are also examined. The results of the analysis suggest that the introduction of a minimum income scheme could go a long way towards effectively mending the country's social safety net, while at the same time greatly contributing to eliminating extreme poverty and reducing inequality. A phased implementation of the scheme would allow careful monitoring of its effects, leading to modifications of its institutional design if needed, while also providing the necessary time to upgrade the administrative capabilities of the authorities charged with the task of its implementation.