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Кафедра історії та політичної теорії
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На тему: **The impact of Greek government policy on the problem of overcoming socio-economic inequality in Greece: 2008-2020**

Студента групи 052-18-2:

Короти Олександра

Науковий керівник:

Первий Генадій Леонідович

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TABLE OF CONTENTS

ABSTRACT.....	3
SANTRAUKA.....	4
LIST OF ABBREVIATIONS.....	5
LIST OF TABLES.....	6
INTRODUCTION.....	7
1. THE THEORETICAL MEANING OF TERM SOCIO-ECONOMIC INEQUALITY, ITS TYPES AND INDICATORS.....	9
1.1 A brief history of the term "inequality" and its causes in the writings of the classics of economics.....	9
1.2 Socio-economic inequality.....	12
1.3. Announcement of indicators for the study of socio-economic inequality.....	21
2. RESEARCH ON INDICATORS OF INEQUALITY.....	25
2.1 Distribution of incomes.....	25
2.2 Level of education and other additional indicators.....	36
3. OVERVIEW OF GREEK GOVERNMENT REFORMS.....	45
3.1 Tax reforms.....	46
3.2 Education reforms.....	52
1.3 Labor market reforms.....	62
CONCLUSION.....	69
LIST OF LITERATURE AND SOURCES.....	70

ABSTRACT

At the center of this work is directly the problem of socio-economic inequality, which I examined on the example of a single country and which at the same time is a member of the European Union, namely Greece. In it, this problem is widely developed, but at the same time it is not the worst among the same European countries. It is this fact that gives us the opportunity for a qualitative comparison of Greece with other actors on the same continent with more objective indicators and understanding of the situation as a whole.

To begin with, it is worth understanding the nature and the very term of socio-economic inequality (consider its history of research and origin, types, as well as its causes and impact on society), as well as directly determine the very indicators by which this inequality will be assessed, and by which it is possible to determine the dynamics of changes, which will later serve as a guide for finding and considering the reforms of the Greek government, for their further evaluation.

At the second stage, the performance of Greece will be compared with countries such as Bulgaria and Finland, in the first, the problems of socio-economic inequality and economic problems are more pronounced, while, on the contrary, it is a representative of one of the highest standards of living and well-being in the European Union and in the world. It is this contrast that should give that more in-depth understanding of the situation, which was mentioned above. Therefore, all indicators will be found and discussed in the first part of the bachelor's work using the theoretical basis and the works of the classics, smoothly moving into the realities of our time.

And finally, in the third final part, using the official documents of the government and the membership of organizations of which the state under study (Greece) is, this part will also introduce additional indicators as needed, but its main goal will be to track the success and, accordingly, the subsequent assessment of

structural reforms, one-time promotions, programs, etc. The theory and indicators studied in the previous parts will serve as a guideline for this.

Greece was not chosen by chance, as it is the country that almost suffered the most from the financial and economic crisis in 2008, which could not but affect the standard of living and well-being within the state, which is related to the problem I am studying. But still, most of the reforms described in the work were aimed at overcoming the consequences of the crisis, and soon the Covid-19 pandemic. But since these things are completely interconnected (this fact will be consistently confirmed throughout the campaign), it will be remarkably interesting to track their direct impact on the change in the indicators of socio-economic inequality in Greece.

SANTRAUKA

Šio darbo centre tiesiogiai yra socialinės ir ekonominės nelygybės problema, kurią nagrinėjau vienos šalies pavyzdžiu ir kuri kartu yra Europos Sąjungos narė – Graikija. Jame ši problema yra plačiai išplėtota, tačiau kartu ji nėra pati blogiausia tarp tų pačių Europos šalių. Būtent šis faktas suteikia mums galimybę kokybiškai palyginti Graikiją su kitais to paties žemyno veikėjais, naudojant objektyvesnius rodiklius ir suvokiant visą situaciją.

Pirmiausia verta suprasti socialinės ir ekonominės nelygybės prigimtį ir terminą (atsižvelgti į jos tyrimo ir kilmės istoriją, tipus, priežastis ir poveikį visuomenei), taip pat tiesiogiai nustatyti pačius rodiklius, kuria ši nelygybė bus vertinama ir pagal kurią galima nustatyti pokyčių dinamiką, kuri vėliau pasitarnaus kaip orientyras ieškant ir svarstant Graikijos vyriausybės reformas, tolimesniam jų vertinimui.

Antrajame etape Graikijos rezultatai bus lyginami su tokiomis šalimis kaip Bulgarija ir Suomija, pirmajame ryškesnės socialinės ir ekonominės nelygybės problemos ir ekonominės problemos, o priešingai – vienos šalies atstovas. Europos Sąjungoje ir pasaulyje. Būtent šis kontrastas turėtų padėti geriau suprasti aukščiau

paminėtą situaciją. Todėl visi rodikliai bus rasti ir aptarti pirmoje bakalauro darbo dalyje naudojant teorinę bazę ir klasikų darbus, sklandžiai pereinant į mūsų laikų realijas.

Ir galiausiai, trečiojoje baigiamojoje dalyje, naudojant oficialius vyriausybės dokumentus ir priklausomybę organizacijoms, kuriose yra tiriama valstybė (Graikija), šioje dalyje pagal poreikį bus pateikti ir papildomi rodikliai, tačiau pagrindinis jos tikslas bus sekti. struktūrinių reformų, vienkartinių paaukštinimų, programų ir tt sėkmę ir atitinkamai paskesnę vertinimą. Ankstesnėse dalyse išnagrinėta teorija ir rodikliai bus tam gairės.

Graikija pasirinkta neatsitiktinai, nes tai šalis, kuri kone labiausiai nukentėjo nuo 2008 m. finansų ir ekonomikos krizės, kuri negalėjo nepaveikti gyvenimo lygio ir gerovės valstybėje, o tai yra tiesiogiai susijusi su problema. Aš mokausi. Tačiau vis dėlto dauguma darbe aprašytų reformų buvo skirtos įveikti krizės, o netrukus ir Covid-19 pandemijos, padarinius. Tačiau kadangi šie dalykai yra visiškai tarpusavyje susiję (šis faktas bus nuosekliai patvirtintas visos kampanijos metu), bus labai įdomu stebėti jų tiesioginį poveikį socialinės ir ekonominės nelygybės rodiklių kaitai Graikijoje.

LIST OF TABLES AND GRAPHICS

Table 1 - Distribution of income in the EU and the countries under study by quintiles and decelerations.

Table 2 - Numerical interpretation of Graph-1.

Table 3- Gini coefficient.

Table 4 - Gini index in different interpretations.

Table 5- Employment rates of young people.

Table 6-The impact of reforms on income tax in Greece until 2016.

Graph 1- Average equivalent of individual disposable income in Greece.

Graph2- Average monthly income in Greece by deceleration.

Graph 3- Index of education.

Graph 4- Unemployment rate in the countries studied, the first for young people (15-24 y. o.).

Graph 5- Unemployment rate.

Graph 6- GDP per capital (PPP).

Graph 7- GDP.

Graph 8- Tax revenues by selected countries (% of GDP).

Graph 9- Percentage of those who left training earlier.

Graph 10- General government expenditure by function.

INTRODUCTION

Preface. Greece is one of the poorest and least successful countries in the European Union in many respects, and the financial and economic crisis of the 2000s only exacerbated an already sad situation. Consequently, the standard of living and well-being in the country has fallen and many segments of the population have become more vulnerable to global challenges, feeling all the consequences of this phenomenon. This could not but affect the level of socio-economic inequality in society, which includes many indicators that directly affect the life of an individual and the economy of the country as a whole. Government reforms are aimed directly at overcoming this problem, which makes it possible to track and evaluate their effectiveness along with the evolution of indicators and can serve as a valuable experience for other countries with similar problems.

From the point of view of **relevance**, the problem of inequality has existed in society since ancient times, and in the 19th century it began to be studied at the scientific level and remains relevant to this day. In our case, Greece is still one of the countries with this problem, by studying the performance from 2007-2020 and the impact of reforms on them, we can learn valuable lessons and experience to further use and combat the problem of inequality, other consequences of this consequences and vice versa, as in the case of a crisis.

Problem: in our time, the gap between the rich and the poor is growing all over the world, this also applies to one of the most developed regions of the planet, Europe. There are many methods that can counter this problem, and structural reforms are one of them. Therefore, it is worth understanding what reforms will be effective in addressing these issues, which, on the contrary, can aggravate the situation.

Subject: study of the impact of reforming socio-economic policies on the indicators of population inequality in Greece. Indicators of socio-economic inequality and reforms, indirectly or directly aimed at changing them.

Object: socio-economic inequality in Greece.

Purpose: to study the change in the indicators of socio-economic inequality of Greek citizens under the influence of reforms in the foreign and domestic policy of the state in the period from 2008 to 2020.

Objectives: to study the theoretical foundations of the country's socio-economic policy and its components, to determine the list of economic indicators used to study the levels of socio-economic inequality for Greece. Study of the dynamics of the resulting list of economic and social indicators, and its relationship with the ongoing reforms in the domestic and foreign policy of Greece. Identification of problems in the field of socio-economic inequality of citizens and ways to minimize them.

The hypothesis in this case is that the financial crisis most pronounced hit the Greek economy, which directly led to changes in the indicators of socio-economic inequality in the country. The reforms were directly or indirectly aimed at reversing this situation.

Research methods will be both theoretical and practical equally. Since for a start it is important to conduct a detailed analysis for the correct and qualitative determination of the indicators that are at the center of this work, and then their no less important subsequent classification. And when these conditions are met, on the basis of generalization and analogy, you can proceed to subsequent work, which will directly include practical approaches based on quantitative research methods, including direct work with statistical data, but which will be based on the measurement of indicators and subsequent comparison and observation. Well, at the end of the work, general methods will be used (that were used before), depending on the specific issue and situation, including the forecast for the next years.

The sources of the study in this case were the early works of some authors studying this topic as ideas and inspiration, while the bulk of the information was the databases of Eurostat, Euro mod, the World Bank and OECD and their further

research and study. Here you can also add official documents of the Greek government, which described the upcoming and implementation of the reform and program for a particular year.

The structure of the work already mentioned a little at the very beginning, and in addition to the introduction with the conclusion, will consist of three main parts, which in turn consist of sections corresponding to their own logical themes and their branches, respectively. The first part will be theoretical and will consist of two sections that will describe the origin, essence and much more with regard to the concept of socio-economic inequality, while the second will identify indicators that will be explored further in the second part of the project, which in turn will be divided into types of these indicators. And finally, the third part will directly affect the reforms and assess their effectiveness and change in terms of the studied indicators in general.

1. The theoretical meaning of the term socio-economic inequality, its types, and indicators

1.1 A brief history of the term "inequality" and its causes in the writings of the classics of economics

Before talking about the socio-economic aspect, which is directly at the center of this work, it is necessary first of all to define the very term "inequality". This word is one of the central concepts in sociology. And no doubt every sociologist of one era or another recognized the existence and prevalence of this phenomenon in any of all societies. But the defining aspect was precisely the attitude of the scientist to this problem, for one it could be the norm and even the engine for progress, and for another it could be an imperturbable flaw of humanity.

One of the first sociologists to define "inequality" in his work *On the Division of Social Labor*¹ (1893) was Émile Durkheim. And speaking in general terms, the main feature of the problem was heterogeneity in different types of activities. In different territorial associations (state, tribe, community, etc.), different skills are valued in their own way and because of this they line up in a hierarchy. For example, in the Inca tribe, religious values were highly valued, and somewhere else they were material values. Also, the scientist did not reject the fact of talent in an individual, which during training could only enhance the difference between a gifted and an ordinary person. Such people should be encouraged by society. Therefore, he singled out inequality of abilities (or natural in the works of J.-J. Rousseau) and socially fixed inequality (imposed by certain policies or cultural norms).

Later, K. Davis and W. Moore² developed this theory and believed that inequality helps to divide this or that society in such a way that more important work or activities are performed by more skilled people and, like Durkheim's thoughts, in every society at a certain point in history were valued different skills, if earlier they were warriors, now they are often engineers or doctors. Religion was common to all social formations and historical eras, on the basis of which worldviews, cultural and social values were formed, as well as members of the management of society (members of government bodies and other similar institutions or poked out of them), at their disposal, in addition to a greater share of wealth, also there was authority and knowledge, which in turn in certain situations could be more significant than material values. Separately, the situation of people working with technical development was also noted, since many resources and other benefits were often provided for them to encourage and stimulate their activities, this was especially noteworthy in the 20-21 century, that is, in our time too.

¹ Durkheim, E. (1982, first published 1893), *The Division of Labour in Society*, London: Routledge and Kegan Paul. 200. <https://www.worldcat.org/title/division-of-labor-in-society/oclc/316117093?loc=>

² Davis, Kingsley, and Wilbert E. Moore. 1945. "Some Principles of Stratification." *American Sociological Review* 10(2):242–49. <https://www.jstor.org/stable/2085643?origin=crossref>

All of the above refers to the theory of functionalism, where the main thesis, as you can see, is to encourage the best. Karl Marx³, in turn, was the exact opposite of this theory. In his thoughts, certain periods of human history are characterized by certain pharmacies, which are determined by the mode of production, which in turn determines the economic organization of a particular society at a certain stage of development. It also plays a key role in people's lives and contains the ruling class, which owns the means of production (factories, raw materials, and so on). He also sets the rules, exercises control over the class that works for him and buys their labor creating surplus value. The larger it is, the more noticeable becomes inequality and stratification in society. Other scholars such as Michels and Dahrendorf accepted the basic principles of Marx's theory but did not consider economic organization to be the main reason for this. For example, the first formed the "Iron Law of the Oligarchy", which states that power is constantly formed, respectively, the presence of classes will also be so. The second scientist also confirmed this law, but at the same time arguing that this applies to all social life, and not just the economy.

A little later, Max Weber threw his view on the study of the nature of inequality, which in a sense generalized previous ideas and deduced three main components inherent in inequality. The first is wealth inequality, the theory of this is very closely related to Marx and is that in addition to the difference in income, the rich work less and get more, through investments, securities, and the like. The second aspect was in status groups, meaning that certain miles of the population enjoy a certain prestige and lead a similar lifestyle. In such groups there can be not only rich people, but also those with less income. And the third factor is the political aspect, which means that with the help of politics, a certain person or group of people can conduct their own actions for their own benefit in spite of other members of society. The role of parties and political groups and associations was particularly important to him.

³ Karl Marx. 1887. "Capital A Critique of Political Economy". <https://www.marxists.org/archive/marx/works/1867-c1/>

The opposite of all the theories described above, which depended on specific social and economic circumstances, was the concept of W. Lloyd Warner⁴, who conducted studies of inequality in the so-called Yankee City, where the division into classes depended on reputation, which in turn was derived from surveys of all residents, who determined their own status. From this followed the upper-upper class, to which people of a noble family belonged, for the lower upper class simply rich people belonged, doctors, engineers, teachers belong to the upper middle class - in a word, highly educated people, the lower middle class were white-collar workers, the upper lower class included blue-collar workers, and the lower underclass referred to people living below the poverty line.

There are many other similar theories, but the main feature for most of them is the ranking and use of such a concept as social inequality, the basis of which is the economy, as a result of which economic inequality arises. Therefore, further we will consider these concepts, find common and different features, and finally, unite them under a common term called socio-economic inequality, as well as what are the ways to define it and reduce its impact on society, and subsequently applying this theory to the example of a specific country - Greece.

1.2 Socio-economic inequality

To begin with, let us consider the term economic inequality, different organizations and publications define it differently, but despite this, a common, clear line can be traced between them, similar to how it was in the previous section. For example, if we turn to the official interpretation of the UN, it sounds like this - "inequality" - a state of inequality, especially in status, rights, and opportunities - is a concept that underlies theories of social justice. By economic inequality, most often they mean "income inequality", "monetary inequality" or, in a broader sense, the inequality of "living conditions". The well-known English edition Investopedia⁵

⁴ Stephan Thernstrom. "Yankee City" Revisited: The Perils of Historical Naïveté". American Sociological Review. Vol. 30, No. 2 (Apr., 1965), pp. 234-242 (9 pages) <https://www.jstor.org/stable/2091567>

⁵ <https://www.investopedia.com>

says, “The essence of economic equality is how much money the poorest earn compared to the richest, and how wealth is distributed in society,” that is, the concept is based on the terms of income and redistribution.

Therefore, based on the above, including the previous chapter, it can be argued that economic inequality is a difference in certain economic indicators between certain social groups, these differences, in turn, establish their own hierarchy between these groups, dividing them into classes, and the indicators themselves are based directly on differences in income level.

The well-known British charitable organization The Equality Trust, on its web resource⁶, describes three main types of economic inequality:

The first and most important is income inequality. It shows how national wealth (income) is distributed among the people inhabiting a particular region. By income, most often they mean wages, income from investments, savings, and the like. And people most often mean a household, which can include both one individual person and the whole family. Both of these designations together form such a concept as household income, which includes certain receipts, whether in kind, in cash, or even a service with a certain frequency (per year, month, quarter, etc.). Also in some literature, such income is called personal, as it is received by an individual and calculated before taxes. As a consequence, net income is called disposable (after taxes). And it, in turn, can include many other subtypes (equivalent disposable income, with / without transfer payments, with / without pensions, etc.), which will be discussed in detail in the main part of the work a little further.

Just as in the first chapter, there were some disputes about the impact of inequality on the economies of countries, again, for some this is the norm and progress (there are even arguments), and for others it is a disastrous property on the economic situation in the country, society.

⁶ <https://equalitytrust.org.uk/how-economic-inequality-defined>

The most frequent statement in favor of inequality is that an economy with more distributed incomes develops an order of magnitude slower than those in which this inequality is more pronounced. This is due to rich people who tend to save their own capital, and therefore, to investments (including bank deposits), in which there is a correlation with the pace of economic development. The second aspect is that in addition to the desire to invest, in order to cover the costs of risks, these same funds should be more concentrated. The following logical chain follows from this: the greater the economic growth, the more national income is needed, the greater the investment and, consequently, the risks, which require a large accumulation of money in the same hands (groups of people) to cover. It can also be added here that in order to increase income, everyone, but people of lower income, needs to work harder (work more time), but the redistribution of income reduces the motivation for this very work. And just as it was described by Emile Durkheim in his theory, to increase production and reduce, it is required to attract more highly qualified workers, and inequality in the labor market will be a necessary condition for this.

The first counterargument to the arguments described above are the studies of the OECD⁷ and the IMF⁸, which came to a single conclusion: the greater the income difference, the greater the decline in economic growth, the IMF cites figures that if the income of the richest 20% of people grows, this will lead to a decrease in GDP, least. The OECD says that income inequality for all member countries over the past 25 years has resulted in a loss of \$1 trillion of GDP, an average of 8.5% of GDP annually. Such large numbers were immediately criticized, primarily the research methodology. But as for me, very good evidence, in contrast to the benefits of inequality and confirmation of the studies of the IMF and OECD, is the report⁹ by Josh Bivens on the website of the Economic Policy Institute from Washington, who studied the impact of rising inequality in the United States and concluded that it inhibits aggregate demand in society , which, in turn, hurt the economy's short- and

⁷ <https://www.oecd.org/social/inequality-and-poverty.htm>

⁸ <https://www.imf.org/en/Topics/Inequality>

⁹ <https://www.epi.org/publication/secular-stagnation/>

medium-term growth prospects and its productive potential, while periodic interest rate cuts by the Federal Reserve did not affect this negative trend, at least after the 2000s. All of these studies are supported by statistics that, alas, do not show such high numbers as they were above, but directly prove the detrimental effect of income inequality. The solution to this problem for Bivens, he says, is to increase wages for the poorest 80% of the population.

More on this later, since wage inequality is the second type of economic inequality and, unlike income, shows only remuneration for work. And the labor market itself has long been studied in economic science, since for the lion's share of the population of a country, wages are the main type of income, as well as an important aspect in the study of inequality. The first reason for this is that each worker is unique, and his experience, knowledge and productivity can change dramatically, the second reason can be the jobs themselves, which can also differ in their conditions (bonuses, benefits, locations). And finally, the third reason is the labor market itself, which may have limited mobility and information for an employee, where there may be discrimination or, on the contrary, he strives for excellence in the future, we will take a closer look at these factors.

One of the main concepts that attempts to explain the difference in wages more visually, using certain variables on which it depends, is the theory of human capital. It is relevant, both for wages and for income in general since they are directly interconnected with each other. It consists in the following that a person during his life cycle tries to maximize his income by investing part of his human resource and funds in education, which in the future should lead to a significant increase in wages. In addition to the benefit in the form of money, this effect can also benefit society (external benefit) and people related to the person receiving education - relatives, friends (individual benefit). The theory of human capital has several formulas for calculation, depending on the complexity of the model of the structure of society (with ideal market conditions and close to reality), but they will not be considered, since we will not need it within the framework of this work, instead it is better to

pay attention, on the research¹⁰ of J. Mincer, which he cited in his book “Education, Experience and Earnings”. His first conclusion was that the role of education plays a significant role only in the top ten of the work cycle, according to his data, the level of wages is 77% dependent on education, then this number decreases, giving way to such concepts as experience and hours worked per week. According to the author, all these variables described above explain at least 60% of the differences in wages, which leads to the conclusion that in order to reduce the level of inequality in society, it is necessary to provide education to the lowest groups of the population, thereby increasing their incomes.

As you can see, there are still 40% left of which the difference in wages can depend (it is important to understand that the figures are approximate and may be individual for each country). The first such factor is the difference in abilities, which includes physical, intellectual, and other abilities that could give certain advantages in the labor market or, on the contrary, take them away. In most cases, a certain ability can complement education. For example, the intellectual ability in theory can determine how you graduate from a secondary educational institution, which in turn will affect the higher (university) and how you will study in it, and which provided indignations you can see and which ones you miss, here you can add and the learning process itself. Actually, already at the job itself, those who are able can get higher qualifications, which will lead to higher salaries. The same will apply to physical abilities, personal character traits, human characteristics, and the like. The final factor is the difference in opportunities as far as the financial part of the population is concerned. And since education has the biggest impact, it is safe to say that opportunities determine access to education and its quality. According to S. Bowles¹¹, 52% of differences in education between individuals depend on the financial capabilities of the household. It is believed that the transfer of certain norms

¹⁰ Jacob A. Mincer. Schooling. January 1974. Experience, and Earnings. <https://www.nber.org/books-and-chapters/schooling-experience-and-earnings>

¹¹ Bowles, Samuel; Bardhan, Pranab; Baland, Jean-Marie (2007). Inequality, cooperation, and environmental sustainability. <https://www.worldcat.org/title/inequality-cooperation-and-environmental-sustainability/oclc/67346328>

and stereotypes to the future generation depends on the social position, the simplest example is that the child copies the behavior of his highly educated parents, they, in turn, motivate him to attend school and study well in order to be like them, so by influencing and correcting his behavior. The second and, in my opinion, the most important aspect can be considered that children from richer (status) families often get better-paid jobs at the expense of their parents, who, for example, can hold a high position in a large company (hold a high place in the social hierarchy). Thus, all of the above suggests that it is social origin that has a significant impact on the level of inequality, in addition to education, which, as we understand, also affects this.

Thus, we smoothly approached the third kind of inequality, namely the inequality in wealth, which includes all assets (stocks, bonds, wages, bank accounts, etc.) minus all liabilities. It is by this indicator that the population groups are determined for the study of socio-economic indicators, which we will consider in this work. Most have heard of Oxfam's¹² disappointing estimate that the top 1% of the world's richest people (roughly 73 million people) own as much wealth as the remaining 99%. And the 388 richest people own wealth equal to 50% of the world's poor. It is noteworthy that the figures will be similar and not much different for all countries of the world. Also, to the "good examples" of this type of inequality, you can bring -negative inequality. In an article¹³ by the Inequality Project, which is presented to the Washington Policy Institute, an article, which in turn is based on data from the US National Bureau of Economic Research, states that over the past 30 years, the richest people have become even richer, while in the lowest strata of the population experienced a fall below the poverty line, at the moment this trend has not changed. At the same time, the Pew Research Center from Washington, in their article¹⁴, observes the average income growth in America, but at the same time it is an order of magnitude higher in the upper strata of the population (the top 5%), while the number of the middle class has decreased (the share of people with low

¹² <https://www.oxfam.org/en/tags/inequality>

¹³ <https://inequality.org/facts/wealth-inequality/>

¹⁴ <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>

incomes increased from 25% to 29%, and with the average decreased from 61% to 51%), at first glance it can be said that the share of the rich also increased, but you need to understand that this applies to the highest averages. The same applies not only to income and asset holdings, but also to the level of wealth, the gap in which is even sharper. It turns out that the wealth gap directly affects the well-being of various groups of the population, and the higher the income and wealth, the less they (groups) are dependent on their own capital. On my own behalf, I'll add that the article was written before the Covid-19 pandemic and the war in Ukraine, which means I dare to assume that these numbers now look much sadder than they might seem at first glance.

Next, consider the term social inequality, these two types of inequality are interrelated, and without one of them it is impossible to understand the nature, causes and ways to overcome for the other. Very often, the terms and concepts inherent in both types are often intertwined with each other or are interchangeable, so there is a tendency to unite them under a common banner - socio-economic inequality. But first, let's talk, only about the social, in order to draw a clear parallel between it and economic inequality and at the same time understand a clear relationship.

By studying different sources, one¹⁵ can derive a definition that is common to all, namely, social inequality is a form of social stratification, which is characterized by inequality of opportunities and rewards for individuals, social groups, or classes, cutting off the vertical, social hierarchy. On one of the resources, I found types of social inequality, which, although poorly described, are, in my opinion, exactly accurate for understanding this type, then we will consider them in more detail. The first such type indicates political inequality. Joshua K. Dubrov, Professor of the Institute of Philosophy and Sociology, very accurately revealed this question in his article¹⁶. Firstly, he notes the long-standing roots of political inequality and its dispersion in many disciplines, but still headed in sociology, and also that its level

¹⁵ <http://studylecturenotes.com/social-inequality-definition-types-and-examples/>

¹⁶ <https://politicalinequality.org/2016/05/16/what-is-political-inequality-and-how-unequal-are-we/>

is difficult to determine, since there are no universal and well-established indicators, but still. However, this can be done on the basis of different definitions of this concept. The author cites a whole host of them referring to his own book. Firstly, the degree of PI lies in how political resources are distributed, which means the accessibility of a particular social group to information and participation in the use of political resources. For example, Black people or women did not have the right to vote in elections for a long time in different countries. Secondly, it concerns the existence of a separation of powers, which primarily determines the degree of political participation of citizens and their contribution to decision-making. Thirdly, this number of people has weight in making these decisions, ideally it should be all, without exception, the people of a particular country. And the fourth is how unequal the influence, and the weight of the degree of this influence, of this or that state authority on political decisions. As for me, authoritarian or dictatorial states suffer from this more, in which there are authorities that enjoy a special status. Based on the above, it can be argued that there is a clear relationship between democracy and PN, the closer it is to ideal conditions, the less political inequality, since it is precisely democratic institutions that are aimed at making the political decision-making process more transparent, and participation in it wider. This pattern was proven by Martin Gilens and Benjamin I. Page, in "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens"¹⁷.

Next comes the theory of "inequality in membership" and, although it is quite new and has little weight in understanding inequality, it perfectly complements, and in some places even rebukes the theory of human capital, which we considered in types of economic inequality. Steven Durlauf in his article¹⁸ clearly explains this. The theory is based primarily on the following assertions. The preferences, opportunities, or various kinds of beliefs (political, economic) of an individual are

¹⁷Martin Gilens and Benjamin I. Page. Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens https://scholar.princeton.edu/sites/default/files/mgilens/files/gilens_and_page_2014_-_testing_theories_of_american_politics.doc.pdf

¹⁸ <https://sfi-edu.s3.amazonaws.com/sfi-edu/production/uploads/sfi-com/dev/uploads/filer/90/01/9001f3e3-1ab2-43f8-86d4-99353252af1e/97-05-047.pdf>

influenced by the group of which he is a member. The economic reasons for the stratification of society, discussed above, directly affect the gap in the groups to which the individual belongs, as a result of which social mobility decreases. And finally, the fact that a clear interaction between members of the group leads to positive results, which differ from the degree of influence of this very group. The main difference from human capital theory is that the theory attempts to explain the problem of stratification, or the nature of income distribution, from the point of view of the group rather than the individual. It should be noted that the first theory also addresses issues of interaction with a group (for example, a family), but its degree is radically different.

Further, the inequality of the quality and standard of living is mentioned, in another way it can be interpreted as an inequality of opportunities, which we also considered in the types of economic inequality, where it was considered directly from a financial point of view, but now we will try to interpret a little more in detail based on social aspects. The main claim in this regard is that inequality of opportunity is equated with an economic brake. In the article "Inequality and Opportunity in Spanish Regions: The Role of Immigration" (Ana Suárez Alvarez, Ana Jesús López Menéndez)¹⁹, in which they found a correlation between rising inequality of opportunity and income and that in some regions of Spain, living inequality is of a fixed type, therefore, it is no longer the family (its condition) in which a child is born that plays a significant role, but the region. Exploring the same Spain, Jesus Perez-Mayo in the article²⁰ "Inequality of opportunity, a question of space?" established that 10% of income inequality depends precisely on the capabilities of a person, and all the same regions can determine the state of a person to one degree or another (that is, poverty can be inherited). It is these factors that lead to internal or external migration of entire segments of the population, in search of better living conditions or more income, which in turn again affects the economic component. Firstly, this is an additional burden on the labor market, especially for

¹⁹ <https://journals.sagepub.com/doi/10.1177/0160017620906208>

²⁰ <https://rsaiconnect.onlinelibrary.wiley.com/doi/10.1111/rsp3.12181>

developed regions, as competition increases significantly. Secondly, as a consequence of the first, the overall level of income and well-being may fall since migrants are less demanding on wages. And third, that the labor market of a region or country will gradually depend on the services that migrants can provide, which in turn affects economic security. This situation applies to all countries without exception, be it Italy, the USA, France, or Greece. The influence of this aspect and opposition from the state will be directly considered in our work.

Well, the most important thing, which I decided to leave for the end, is the inequality of income and wealth, which have already been considered in the first part of the section and given the other similarities of social and economic inequality that constantly surfaced in the course of work, it is advisable to combine these terms into one general, namely socio-economic inequality. Summarizing all of the above, we can say that the inequality among the strata of the population or social groups in providing needs and opportunities, based on the uneven distribution of income and wealth among the population.

Consequently, all the types that we have considered above will relate to socio-economic inequality, and therefore the indicators for measuring it, which we will consider further, too.

1.3. Announcement of indicators for the study of socio-economic inequality.

To measure the level of primarily economic inequality, many indicators are used, but we will consider the most basic ones, these are the Ginny index²¹ (coefficient) and ratios in which the population can be broken down into quintiles (S80/S20), deciles (S90/10) or the coefficient Palm trees (it demonstrates how many times the top 10% are richer than the poorest 40%, if any). All of them directly show how incomes are distributed in a particular country or in the whole world. As we found out in the previous section, this is the basis for the definition of inequality.

²¹ <https://www.investopedia.com/articles/economics/08/gini-index.asp>

The first and most popular is the Gini index, which uses zero and one as limit values. The minimum (0) is total equality and means that all objects of the studied territorial formation (most often the state) have absolutely equal income. In turn, the maximum (1) indicates total inequality, that is, all the income and wealth of the study area are in the hands of one person. The Gini coefficient has the same logic, but as a percentage (multiplied by 100%). This indicator allows a more open look under the screen of countries with large GDP. For, as is often the case, high-income countries have large social gaps. If we look²² at European countries, in most of them the coefficient is less than 0.3 (30%), especially in the Scandinavian countries. This means that they have a fairly massive middle class. Another thing is the USA and China, two world leaders in terms of GDP, but at the same time having an average level of the indicator. The worst situation is observed in the poor regions of the Earth (South Asia, South America, and Africa), in some countries the ratio rises above 0.6 (60%).

It is important to note that this approach to measuring economic inequality has both positive and negative sides. In criticism of this approach, one can hear the following statements: first, this is that the index may not always be objective, since in poor countries (especially in the post-Soviet space), the rich segments of the population can often not participate in polls, which is half the trouble, in addition to this, they can still hide from taxation, being engaged in the shadow economy, the real income from which is difficult to calculate (depending on the field of activity). These two factors are critical to the accuracy and objectivity of the index, and the data may be grossly underestimated and may not show the real level of inequality or may not show the true variables that mitigate this inequality. A good example in support of these claims is that two countries are similar to the Gini index, but the distribution of income on other indicators, which will be discussed further, is different. This means that the ratio or index is relative, ignoring the level of poverty and wealth. In simple terms, the poor can become even poorer as equality increases

²² <https://data.worldbank.org/indicator/SI.POV.GINI>

(decreases in the index), and vice versa, as the coefficient increases, there can be an increase in wealth and income across social groups. For example, if we take Guinea and Canada, they will have approximately the same index, but GDP and the standard of living in general will differ by a head, this is due to the fact that in Guinea everyone is poor, and in Canada, on the contrary, most are rich, a similar situation was observed and Mao's China and last century's South America, where there was a low Ginny coefficient, in the absence of the rich sections of the population.

In turn, the positive aspects can be noted, as mentioned above, to show the real value (veracity) of the WFP, which at high values does not always mean high well-being, a good example is the United States and India, for 2020, according to the World Bank, they occupied the second and third places, respectively, but the distribution of income varies as much as possible, and the Jinn index in this case will be a feather flag to the detection of this problem. And as we see in this case, the population plays a big role, and it will not be objective to compare countries by GDP with different numbers, but the index considers this variable and allows comparison between different regions using completely different methods of calculation, in contrast to the gross product. As a consequence of all the above, the size of the economy will also not play a role, but as we understood from the shortcomings, this may turn out to be a minus, so it is important to compare countries by several indicators for greater objectivity. It also allows you to evaluate the overall dynamics (negative or positive) for all years (at different stages), while considering the social group and its type. For example, you can do cross-country analysis on the bottom strata of the population in an urban area. Among other advantages, we can mention that for the calculation it is not necessary to know the income of all citizens, which simplifies the procedure and preserves anonymity.

An alternative to the Ginny index is the Palm coefficient. As in the first case, then, it is more inequality, but the difference is in a slightly different approach to calculating income distributions. It is the ratio of the incomes of the richest 10% and the poorest 40% of social groups, that is, the population is divided into three parts

(40%, 50% and 10%). But we won't need it, since the evidence for its effectiveness is not so great, and it is mentioned here for more informative purposes.

Something in between the Ginny and Palma index are the ratios of income between certain segments of the population. Noteworthy for us will be $(S80 / S20)^{23}$ and $(S90 / S10)$, which show the ratio of the richest 20% and 10% of the upper strata of the population to the same marks of the lower level (poor), respectively, or in other interpretations show the percentage of ownership of national wealth for a particular social group. As in all previous cases, the higher this value, the more poorly distributed the income, and, accordingly, the higher the inequality.

Also, in all cases, it is often the disposable income of the household that is used for calculations, which includes all types of income (assets, liabilities, pensions, social payments, etc.), but for a more objective assessment of the reforms of the Greek government, it is still better to compare these indicators in different interpretations with different types of income.

All of the above indicators relate mainly to the financial part and, as we found out, are not without flaws, so it would be smart to look at other indicators that would help to assess the situation more objectively in the country under study (Greece), and also reveal more the essence of the social component within the framework of the socio-economic inequalities. And as we remember from the previous section, the main prerequisite for overcoming poverty in the country is the level of education of citizens (the theory of human capital). Therefore, one should consider the level and progress of the Greek educational system, its reforms, and possibly compare it with other EU countries, again for a more objective assessment of reforms, the success of which depends not only on the correctness of the government's calculations, but also on many other indirect reasons (for example, a region in which they are held). As we remember, the role of education, for the most part, is itself an indirect aspect and begins to manifest itself in the labor market, but the market itself is the main and

²³ https://indicators.be/en/i/G10_IIN/Income_inequality%3A_S80_S20

determining factor in assessing the income of households and the country's economy as a whole. Also, education in the future increases taxation in the country and compensates for budgetary costs by providing jobs for highly qualified workers. We will consider this aspect in more detail in the next part of the work using the example of Greece.

Also, attention should be paid to indicators that in general terms can describe the social and economic situation of the selected country, here I first of all include GDP, which, as it turned out, is indirectly related to the problem of inequality, but will help track its nature in the country under study. Since for the most part it can talk about the volume of production, and its type, as well as the general state of the country and the region as a whole. Therefore, interesting indicators will be derived from this, namely the unemployment rate, which is related to the labor market and the educational system. Consequently, the level of wages, incomes and social benefits, pensions and the like directly depend on it and are themselves the basis of income distribution in society. The circle closes, which means you need to understand that all of the above indicators are closely interconnected and the level of the other may depend on one, and this causes certain difficulties in conducting government reforms, but we should find out how things are in Greece in the next chapter.

2. Research on indicators of inequality

2.1 Distribution of incomes

As a consequence, we will further consider the statistical data and indicators that were discussed in the current chapter for Greece, and also, for clarity, compare with some countries of the European Union in order to see the difference, which in the next chapter will allow us to more objectively evaluate the policy of the Greek government in solving this problem. . Comparative politics and economics, as for me, are a very convenient tool for this, because everything is known in comparison,

and only in this way can one recognize the good or bad qualities of a particular subject.

At this stage of the work, the indicators of Greece will be equated with Finland and Bulgaria. These countries are not chosen by chance, since Finland is one of the most developed countries of the European Union, it has achieved the greatest success in welfare policies through the use of the principles of the Scandinavian model of socialism, while Bulgaria is the exact opposite, being a former country of the socialist bloc and one of the poorest countries in the EU. Hence Greece must be somewhere in between these extremes, as we shall see later in the course of this chapter.

For the purity of the study, the "net" coefficient S80/S20 (excluding social and pension payments) will also be considered.

Table 1 - Distribution of income in the EU and the countries under study by quintiles and decelerations

Income scale/country	Years										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lowest 20%											
EU-27	Average about 6.3										
Greece	7.1	7	6.7	6.1	5.8	5.9	5.9	5.8	6.3	6.6	7.2
Bulgaria	6.9	6.8	6.3	6.4	6.2	5.7	6	5.3	5.4	5.7	5.7
Finland	9.3	9.3	9.2	9.3	9.4	9.3	9.4	9.4	9.4	9.4	9.3
Highest 20%											
EU-27	Average about 38.5										
Greece	40.9	40.9	41	41	42.1	42.2	41.9	41.8	41.3	41.1	40.1
Bulgaria	41	40.9	42.2	41.1	42.7	42.9	43.9	44.3	46.4	46.6	47.6
Finland	37.2	36.9	37	37.1	36.7	36.6	36.4	36.7	36.6	36.9	36.8
Lowest 10%											
EU-27	Average about 2.9										

Greece	2.6	2.6	2.4	2	1.9	2	2	1.9	2.2	2.4	2.7
Bulgaria	2.4	2.4	2.1	2.1	2	1.8	2	1.5	1.6	1.9	1.9
Finland	3.8	3.8	3.7	3.8	3.9	3.8	3.9	3.8	3.9	3.8	3.8
Highest 10%											
EU-27	Average about 23.8										
Greece	26.1	26	25.6	25.6	26.6	26.4	26.1	26.2	25.9	25.9	24.9
Bulgaria	25.7	25.7	26.9	26	27.4	27.6	28.8	28.7	31.4	31.9	32.6
Finland	23	22.6	22.6	22.8	22.3	22.3	22	22.4	22.4	22.6	22.6

This table is the result of data processing from the World Bank database. It presents two coefficients in decimal fractions (%), S80/S20, S90/S10, respectively. They show the share of income on an extreme scale of income, that is, each number represents the average percentage of ownership of a share of the national wealth for a certain group of people. In our case, these are 20% and 10% of the poorest and richest people, respectively. Alas, the data is presented until 2018 and is a little outdated, but despite this it will give us the opportunity to see the big picture, and newer data will be presented further in a different interpretation of this coefficient.

If we compare the results with the average value for 27 EU countries for all these years, we can see that Bulgaria and Finland are the extreme states. The first country shows the worst result in terms of income distribution for this dimension (below the EU average), and the second one is good for the presented indicators (above the EU average). Greece sits in the middle and performs better than Bulgaria, but still below the EU average. It is noteworthy that in recent years the indicators in Greece have begun to grow, for the poorest 10% and 20% have increased, while the high (rich) have decreased. As you can see, the highest alms were recorded in the period from 2009-2012. But the turning point was 2012-2013, after which an annual slight increase began to be noticed until 2018. Already the first observations were able to give us a certain marker (2012-2013), which we will focus on in the next chapter when studying the reforms of the Greek government. In the meantime, we can add that such growth in Bulgaria began a little later, only in 2014 and was not

as significant as in Greece. For example, if we look at the “lowest 10%” of the same year (2014), we see that Greece and Bulgaria had the same figure of 2%, but then there was an increase, 1.9 -1.5, 2.2 -1.6, 2.4– 1.9, 2.7–1.9, respectively. Since in Greece it began earlier and was more pronounced, it can be assumed that the reform in the economy was internal, and not initiated from outside (in our case, the EU). Of these three countries, Finland is the most stable and showed almost no tangible changes during all the years.

If we look at the table as a whole and compare the last years (2008 and 2018), we will see that the changes that have occurred over all these years are insignificant and are visible only in numbers, and not to a simple nonprofessional. For example, the poorest 10% in Greece owned 2.6% of the total national income, and by 2018 this figure had improved by only 0.1 percent. For the poorest 20%, 7.1 and 7.2 percent, respectively. This trend will continue for other remaining income scales, and for Bulgaria, Finland is an exception for this set of countries, but its indicator has not changed much, as we understood from the previous paragraph.

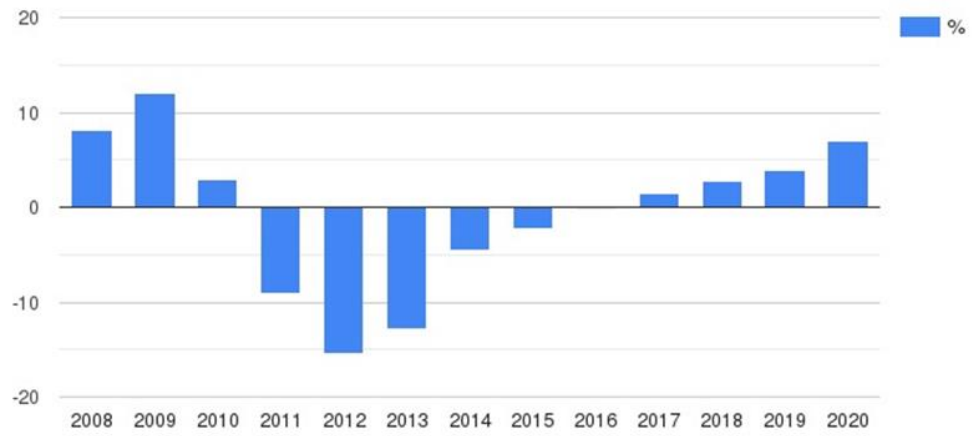
In the case of Greece, it is safe to say that the reason for this was the debt crisis²⁴ that began in 2010 and the subsequent default in 2015, notable are the income scales of the richest 20 and 10 percent. A noticeable decline in them begins after 2015. For example, for the top 20% it is 41.8% in 2015 and already 41.3% in the following year, although there has been variable growth before, the same can be said for 10%. These observations and the crisis in frequency will also be used as a marker for further research and will be considered in more detail in the next chapter.

However, it should be noted that even the upward trend in the above coefficient does not mean an increase in income in a particular group of the population in the table above. For, as we remember, the coefficient S80 / S20 or the same S90 / S10 do not show an accurate picture of the distribution of income in a particular country, and in order to be convinced of this, we can first consider the change in the average

²⁴ <https://www.thebalance.com/what-is-the-greece-debt-crisis-3305525>

equivalent individual disposable income, which is presented in the graph below taken from National Statistical Center of Greece.

Graph 1- Average equivalent of individual disposable income in Greece²⁵



²⁵ <https://euromod-web.jrc.ec.europa.eu/resources/statistics/g2>

Each percentage means an increase or decrease in average disposable income compared to the previous year, for a better understanding, below is a table in real numbers, again taken from the same study by the statistical center.

Year of study	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Previous year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
Average disposable income in euros													
Greece	12,051	13,505	13,896	12,637	10,676	9,303	8,879	8,682	8,672	8,800	9,034	9,382	10,041
EU-27	16,945	17,066	17,208	17,388	17,827	17,814	18,222	18,645	18,976	19,488	20,072	2,514	N/d
Bulgaria	2,668	3,278	3,498	3,429	3,276	3,509	3,911	4,093	3,855	4,598	4,645	5,551	5,928
Finland	22,008	23,119	23,528	24,150	25,148	25,901	26,130	26,240	26,379	26,689	27,389	28,069	28,683

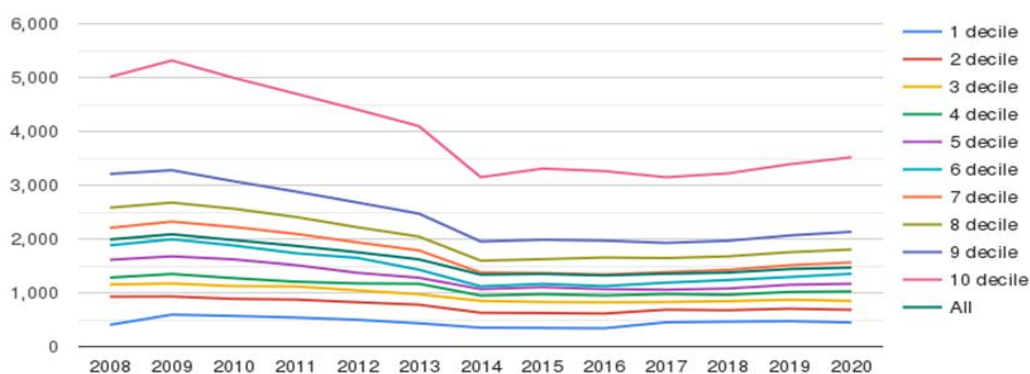
Table 2 - Numerical interpretation of Graph-1²⁶

As is already more clearly seen, over the entire period under study, the average disposable income in the Greek society fell. If in 2008 it was 12,051 euros, then by

²⁶ <https://euromod-web.jrc.ec.europa.eu/resources/statistics/g2>

2020 it has become 10,041 euros. The highest indicator was observed in 2009 (an increase of 12.1%), and the lowest in 2012 (a decrease of 15.5 percent), which we already highlighted in the previous review on economic indicators of inequality (distribution of income by decelerations and quintiles). After that, the situation begins to improve, and which begins to grow again in 2017 until 2020. If we look at the averages of the twenty-seven EU countries, then Greece's performance is half that, and in some compared years the gap is even larger. The situation is exactly the same in Bulgaria, but Finland shows above-average results. But another main feature of Greece in comparison with other countries is that it has a more pronounced decline in average disposable income (Finland does show only growth). But for a fairer picture, it's still worth considering a chart that shows the monthly averages for a given year by deciles for Greece. The information is a visualization of the EUROMOD tables of different versions also, and we will need them soon to determine the effectiveness of the reforms by these indicators.

Graph-2 Average monthly income in Greece by deceleration



As you can see from this graph, between 2009 and 2014, the average monthly income fell for all segments of the population without exception. An interesting observation is that the higher the stratum of the population, the greater the slope of the income curve, however, it would be a mistake to say that the time of crisis reduces income inequality due to a large blow to the rich. Firstly, income has decreased in all deciles (with the exception of the first), and almost everywhere it

reaches a drop of almost 1.5 times compared to 2008 and 2020 - everyone is impoverished. Secondly, the lower strata of the population are very strongly supported by the state through transfer payments, and the rich pay taxes (the richer, the more), this can be seen a little further. And, thirdly, it is precisely the poorest segments of the population who suffer the most from crises, this can be explained by a very simple example. If a conditional loader, in the event of economic growth, can eat meat every day in 5 years, then a programmer will go to Dubai in a couple of years, and the owner of the plant will buy a yacht. Simply put, the more resources a household has, the more connections and information, the more they will receive benefits, and those who are deprived of them are lagging behind in the race to increase wealth. It also works in the opposite direction during a crisis, the richer a person, the fewer privileges he loses, and it is easier for him to recover in the event of the same economic growth, and poor people find themselves in a situation where there is no work today, but for life you have to pay tomorrow.

Next, we will look at the standard indicators of economic inequality (the Ginny index and S80 \ 20) and compare them with other countries, and also look at how social transfers fell on these indicators in order to assess their effectiveness and have further insight when considering the reforms of the Greek government in the next chapter.

The following table, which is the processing of data from Eurostat, presents the absolute Gini index (including all social payments and pensions), for Greece, the average value for the EU of 27 countries and the countries we have chosen for comparison (Finland, Bulgaria).

Table 3- Gini coefficient²⁷

Год\стра на	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EU-27	31.0	30.6	30.2	30.5	30.4	30.6	30.9	30.8	30.6	30.3	30.4	30.2	30.8

²⁷ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_di12

Greece	33.4	33 .1	32 .9	33 .5	34 .3	34 .4	34 .5	34 .2	34 .3	33 .4	32 .3	31 .0	31 .4
33.2 (on average)													
Bulgaria	35.9	33. 4	33. 2	35. 0	33. 6	35. 4	35. 4	37. 0	37. 7	40. 2	39. 6	40. 8	40. 0
36.7 (on average)													
Finland	26.3	25 .9	25 .4	25 .8	25 .9	25 .4	25 .6	25 .2	25 .4	25 .3	25 .9	26 .2	26 .5
25.7 (on average)													

How we present the data as a percentage (on a hundred-point scale), where 100, as mentioned in the introductory chapters, is absolute inequality, and 0, respectively, is an absolutely equal distribution of income.

From the above table it can be seen that Finland has the lowest injury rate among the selected countries with the average for the European Union, only in the last three years studied it began to increase (from 25.9 to 26.5) and in general for the combined years increased from 26.3 in 2008 to 26.5 in 2020. However, this is not some kind of bad trend, because, as previously stated, all indicators below 30% are good, from 30 to 40 the average and, accordingly, above forty is already a bad indicator, which in the future can push the lowest classes into hopeless poverty for several generations to come. Therefore, based on these considerations, it can be seen that Bulgaria shows the worst results, not only are they usually much higher than the average indicators for EU countries, but they have exceeded the 40% mark in the last two years under study (40.82 in 2019 and 40.0 in 2020).

If we look at Greece, then, in my opinion, it shows the best results among the three compared countries. Even despite the fact that its performance is above the EU average, it should be noted that for all the years studied, the result improved from 33.4 in 2008 to 31.4 in 2020. However, there are no clearly defined years after which a long-term rise or fall began, one can only cancel the fact that after 2014, with varying success, the coefficient began to show a positive trend (decrease). Therefore,

for a clearer picture, it is still worth looking at the Jinn index without social payments and pensions, in order to, in turn, see their effectiveness of the latter, as well as the current state of affairs.

Below is a table (processing of Eurostat data), which shows the Ginny coefficient (in average values for the countries we study and in more detail for Greece), before social payments, excluding or including pensions, after which the appropriate conclusions will be made, considering the difference between these and previous indicators.

Table 4 - Gini index in different interpretations²⁸

Years\country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gini coefficient before social transfers (pensions excluded from social transfers)													
EU-27	36.1	36.0	35.5	35.9	35.4	35.8	36.1	35.9	35.7	35.2	35.2	34.8	35.7
													35.6 (on average)
Bulgaria	39.2	35.9	35.9	37.5	35.9	38.1	38.0	40.1	40.3	43.4	43.3	44.1	43.2
													39.6 (average)
Finland	34.5	33.8	33.9	34.5	34.2	33.6	34.1	33.9	34.6	34.3	34.4	34.2	34.3
													34.1 (average)
Greece	41.8	43.4	46.8	46.4	46.1	46.5	45.5	42.7	41.7	41.6	39.3	34.3	34.5
													42.3 (average)
Gini coefficient before social transfers (pensions included in social transfers)													

²⁸ <https://euromod-web.jrc.ec.europa.eu/resources/statistics>

EU-27	49. 6	49 .6	49. 6	50. 4	50 .2	51. 0	51. 6	51. 3	51. 2	50.6	50. 7	50. 2	51. 9
50.6 (average)													
Bulgaria	49. 7	46 .4	46. 7	48. 1	47 .5	49. 1	50. 8	51. 6	52. 8	55.2	54. 8	54. 5	53. 4
50.8 (average)													
Finland	45. 4	44 .9	45. 8	46. 6	46 .4	46. 5	47. 5	47. 4	48. 4	48.4	48. 8	48. 7	48. 9
47.2 (average)													
Greece	49. 1	49 .4	49. 1	51. 9	56 .9	61. 6	61. 0	60. 7	60. 7	58.2	57. 0	55. 1	53. 9
55.7 (average)													

If you look at the Ginny coefficient before social payments, then Greece already shows the worst result among the compared countries at an average of 55.7 units, which is as much as 5 units more than Bulgaria, which previously showed the worst results and which, in turn, has a coefficient very close to the European average (50.8 and 50.6 units respectively). The lion's share in reducing inequality for all countries, without exception, is played by pension payments. On average for Finland the coefficient improvement was $47.2 - 34.1 = 13.1$ units, for Bulgaria $50.8 - 39.6 = 11.2$ and in Greece $55.7 - 42.3 = 13.4$. At this stage, Greece has shown the best result, however, due to high inequality in society, this is not enough to not only approach the EU average, but even catch up with Bulgaria.

But if we look at the Ginny coefficient with social transfers (compared to the previous table), we see the following more promising developments, in particular, that transfer payments have the biggest impact on Greece in overcoming the inequality between low and high strata of the population. But at the same time, it is still worth considering that in the very first table, the equivalent disposable income is indicated by the coefficient, which, as we remember, considers the payment of

direct taxes (based on income tax). In the next part, when considering government reforms, time will be devoted to changes in the tax system, where it will be more appropriate to show the difference and the effectiveness of the evolution of the Gini coefficient specifically for income tax. Now you just need to understand that transfer payments reduce inequality in society through gratuitous financing of certain segments of the population, and not through the distribution of income as a tax, which in turn can have both positive and negative effects if the policy is wrong. Therefore, it is logical to say that transfers represent the lion's share of the influence on the Gini coefficient.

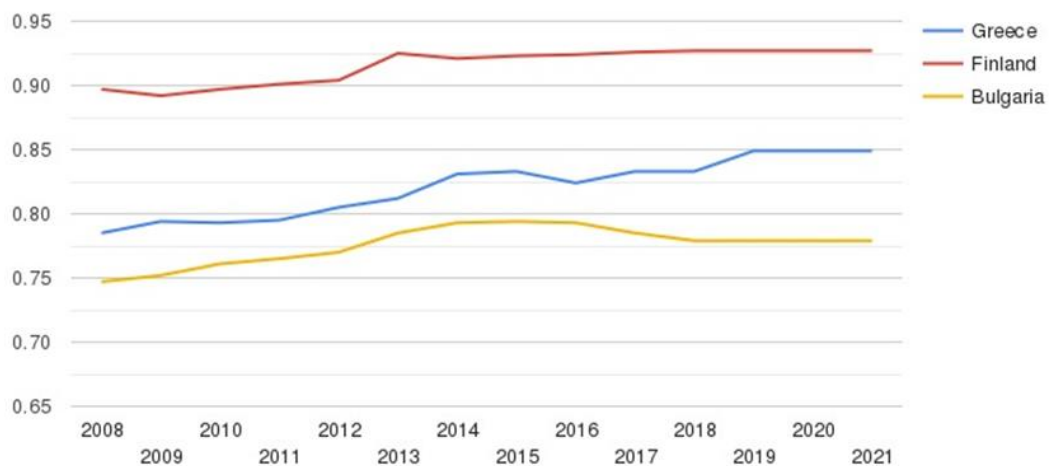
Based on the above, we return to the statement that social payments have played a significant role in the distribution of income in Greece in all years in comparison with other countries, namely, the average value fell by 9 units from 42.3 to 33.2 percent. A similar situation is developing in Finland, where the coefficient fell by 8.4 units, namely from 34.1 to 25.7 percent, which indicates that in a country with the so-called Scandinavian model of socialism, both pension and social security are developed, including a developed tax system. And Bulgaria showed the worst results in comparison with previous countries, the average improved only by 2.9 units from 39.6 to 36.7 percent, which tells us about an inefficient tax system and, as a result, and possibly on its own, a weak social policy. Let's take a closer look at Greece. Below is a bar chart of the difference between the equivalent disposable income Gini and Gini but excluding government transfers.

From this general picture, one more conclusion can be drawn that in a time of crisis, not only is there an increase in inequality in society, but there is also a drop in disposable income for large segments of the population. This is fraught not only with a general deterioration in the standard of living (which in turn deprives the household of a number of goods and services), but also leads the large poor to the poverty line, which, against the backdrop of high unemployment in Greece, does not give prospects for improving the overall standard of living in the country.

2.2 Level of education and other additional indicators

Now let's consider the level of education in Greece, as we found out in the first part of the work, the level of education is one of the keys in determining socio-economic inequality. To begin with, let's look at the Education Level Index, which is often used in its research by the UN, especially within the development program (UNDP). It is very convenient for us and for comparison with other countries as a whole, since it is a ranking of two other indices at once - adult literacy and the total share of students receiving primary, secondary and higher education. And as already mentioned, the index takes values from zero to one, and the coefficient means the same thing, but as a percentage. In this case, the higher the indicator, the better the level of education in the country under study, and the most optimal value is considered to be no less than 0.8 or 80%. This index has a number of limitations, which I will talk about a little later, but in the meantime, below is a graph comparing the data on the education index within the study years between Greece, Finland, and Bulgaria.

Graph 3- Index of education



As can be seen over the past 12 years, the level of education in Greece has been steadily increasing, to be precise, it has changed from 0.785 in 2008 to 0.849 in 2020-2021. And although the index did not come close to the indicators of developed countries with a low level of socio-economic inequality, in our case it is Finland, but at the same time, since 2012, Greek education has overcome the mark of 80%,

which, as mentioned above, is inherent in developed countries, and the index is also an order of magnitude higher than in neighboring Bulgaria, which, unfortunately, has begun to take a negative trend in recent years: the coefficient fell from 79.4% in 2016 to 77.9% in 2020-2021.

Already at this stage, one can trace a certain relationship between education and the level of inequality, looking at the tables provided in the previous section, where the absolute Gini index and income distribution were presented, one can notice a trend where, with an increase in education, the Gini index falls (improves) and falls income for the extreme upper social groups.

For example, in 2008 the education index for Greece was 0.785, Ginny was 33.4%, and the income of the top 10% was 26.1% of the total income of the population. But already in 2020, the following situation was observed, the level of education increased by about 6 divisions and amounted to 0.849, Ginny decreased by 2 divisions and amounted to 31.4%, and the income of the highest strata of the population decreased by 24.9%.

Such an interesting observation cannot prove a 100% connection and dependence between these different types of indicators, however, in Bulgaria one can notice a similar situation in the opposite direction, namely: in 2008, the education index for Bulgaria was 0.747, Ginny showed a result of 35.9%, and the income of the richest people accounted for 25.7% of the total income of the population. But already in 2020, the following situation was observed, the level of education fell by about 3 divisions, while showing stagnation after 2016, without exceeding the mark of 80%, amounting to a final value of 0.779. In turn, Ginny grew by as much as 4 divisions, amounting to exactly 40%, and finally, the income of the highest strata of the population increased by 7 marks, showing a result of 32.6%. In turn, Finland demonstrates the highest and most stable indicators, which are growing in places, therefore, it does not need additional comments.

Based on the more holistic view of the picture described above, one should consider additional indicators that were announced in the previous section, but before doing this, you need to finish with education, as I said that the education index is not without flaws.

The first is that it is updated every three years (2 years + often the publication is one year late), because of this, in the previous chart, we had to take the same values for the last three years, which may cause an error in our conclusions, as well as students who study abroad are not considered - this is what concerns a technical point of view. But, in fact, what should be paid attention to, and what indicators the index cannot demonstrate, is the quality of education, which may be unacceptable for some countries, as well as its accessibility for different age groups.

As for me, to demonstrate the quality of education will help such an indicator as

The employment rate of recent graduates (aged 20–34), again this index alone does not guarantee full evidence of the quality of education but will help us to orient ourselves a little and consider the level of access to the labor market.

Table 5- Employment rates of young people²⁹

Year/c	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bulgaria	87.2	85.2	89.9	74.0	78.5	80	74.5	87.1	78.5	86.5	84.5	88.4	88.5
Greece	71.4	68.1	60.4	52.8	47.7	45.4	47.4	49.9	55.0	55.8	59.0	64.2	60.8
Finland	87.8	84.1	84.9	85.1	85.4	85.7	81.5	81.1	80.4	82.1	82.4	83.4	84.9

The table above shows the percentage data for graduates of higher educational institutions, where a rather interesting situation can be traced, although, as it turned out earlier, the adult literacy rate and the total share of students in Greece are an order of magnitude higher than in Bulgaria, but graduates get jobs in this country

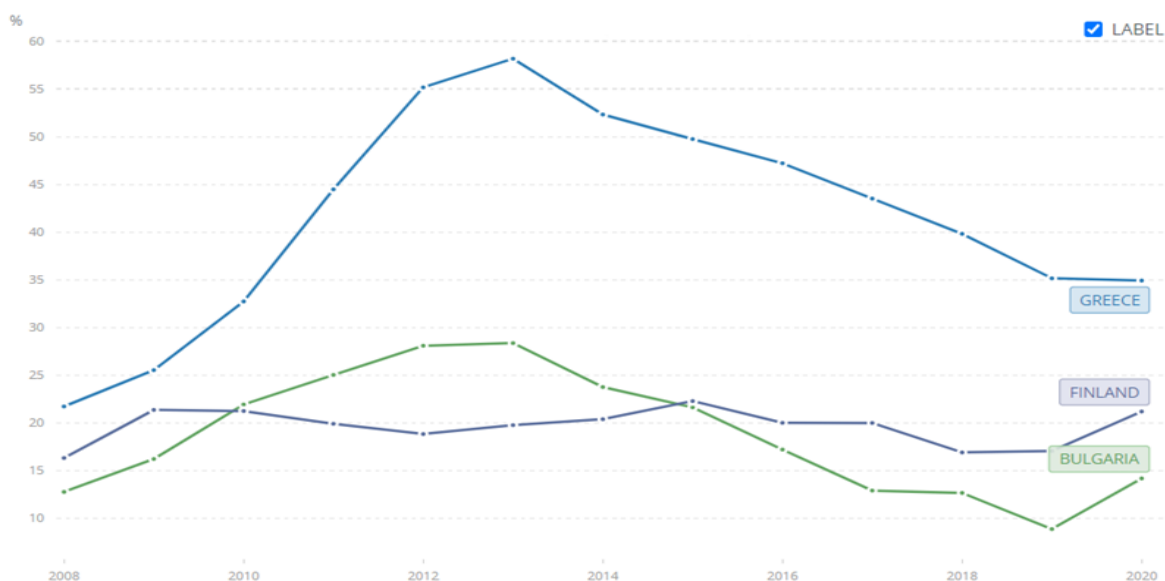
²⁹ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

less often. The bad thing is that for all the years studied, this figure has fallen. According to statistics, only 71.4% of Greek graduates got a job after university in 2008, which is much lower than the EU average (86.9%), but by 2020-2021, it has fallen, showing values of 60.8% and 63.5% respectively. The lowest readings were observed in 2012 and 2014, reaching a value of 47–48%, while in the EU it was 79–80%.

Surprisingly, the same Bulgaria, which until now has not shown significant results in terms of indicators, demonstrates an index close to Finland, often overtaking the average for the EU. Compared to 2020 and 2008, it fell, like Greece, from 87.2 to 83.2, but given that before that it showed a positive trend, I once again dare to assume that the Covid-19 pandemic was the reason for this, and in Unlike Finland, which showed growth, Greece and Bulgaria failed to meet this global challenge.

The fact is that in almost all countries, forced distance learning began, which, according to the European Commission, made it more difficult for students from poor families, since according to statistics, back in 2018, only a quarter of all students had access to computer technology, which entailed additional costs in trying to overcome this problem. But this is more about entering a university, since for the most part it concerned secondary school students, but if we return to the topic of graduates, this is due to the detrimental effect of the pandemic on the labor market. Therefore, further indicators directly related to it will be considered, and more specifically, I will return to the topic of education in the part devoted to the reforms of the Greek government. Why the labor market is so important, as we saw above, although the overall education rate in Greece is high, not every student can find a job. In the EUROGRADUATE survey, for many students, the main problem, in addition to the quality of education itself, was the difficult situation in the labor market. Below are two graphs from the World Bank, which show the unemployment rate in the countries studied, the first for young people (15-24 years old), and the second, respectively, for able-bodied people in general.

Graph 4- Unemployment rate in the countries studied, the first for young people (15-24 years old)³⁰



Graph 5- Unemployment rate³¹



Given the theory described in the first chapter that there should be a small percentage of unemployment (4-5%), which can even stimulate the economy, having a positive effect on it, but this is not the case with Greece, which shows the worst result among all countries, especially for young people, where the peak value is

³⁰ <https://data.worldbank.org/indicator/SL.UEM.1524.ZS>

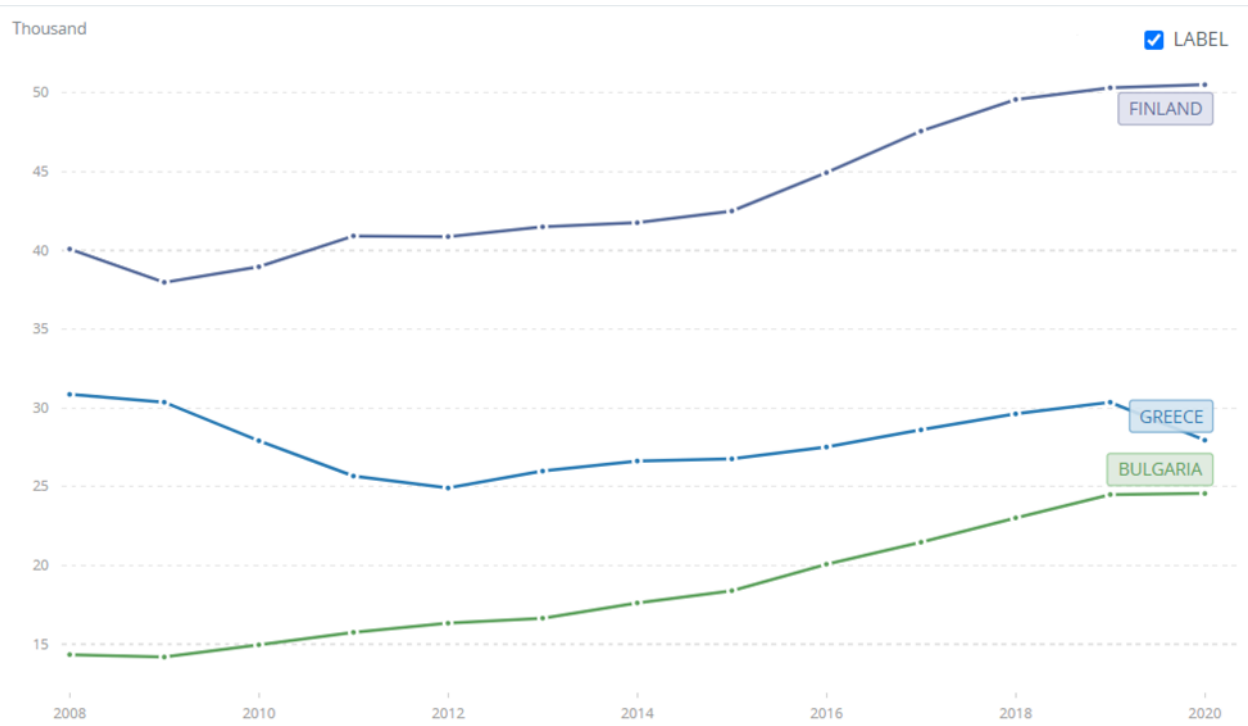
³¹ <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>

58.2% in 2013, although in recent years this figure has decreased to 35% in 2020. Among the whole population, the peak value was also observed in 2013 - 27.5% and by 2021 fell to 14.8%. This may indicate potential reforms that have been adopted to reduce this factor. All this no doubt proves the reason why it is difficult for students to find a job. However, the unemployment rate may not always be associated with the above indicators. We can see this in the example of Bulgaria, which for the first time since 2015 has a conditionally better indicator than Finland but has big problems in socio-economic inequality and the level of education. But in the case of Greece, the origins of the problem should be sought precisely in the causes of unemployment, which will also indirectly affect inequality in the country and will be additional indicators for us.

One of the main reasons for the high cyclical unemployment, which is unemployment in Greece, may be the economic downturn caused by the crisis. The easiest way to track this is to study the dynamics of GDP.

Below, the graphs show GDP per capita at purchasing power parity (PPP), I chose this indicator, as it is the most objective of all of its kind and shows not only the total wealth of the country or the country's output per citizen (without the prefix PPP), but it can also compare purchasing power between different actors of the world economy (countries). As well as the usual level of GDP to track the overall dynamics.

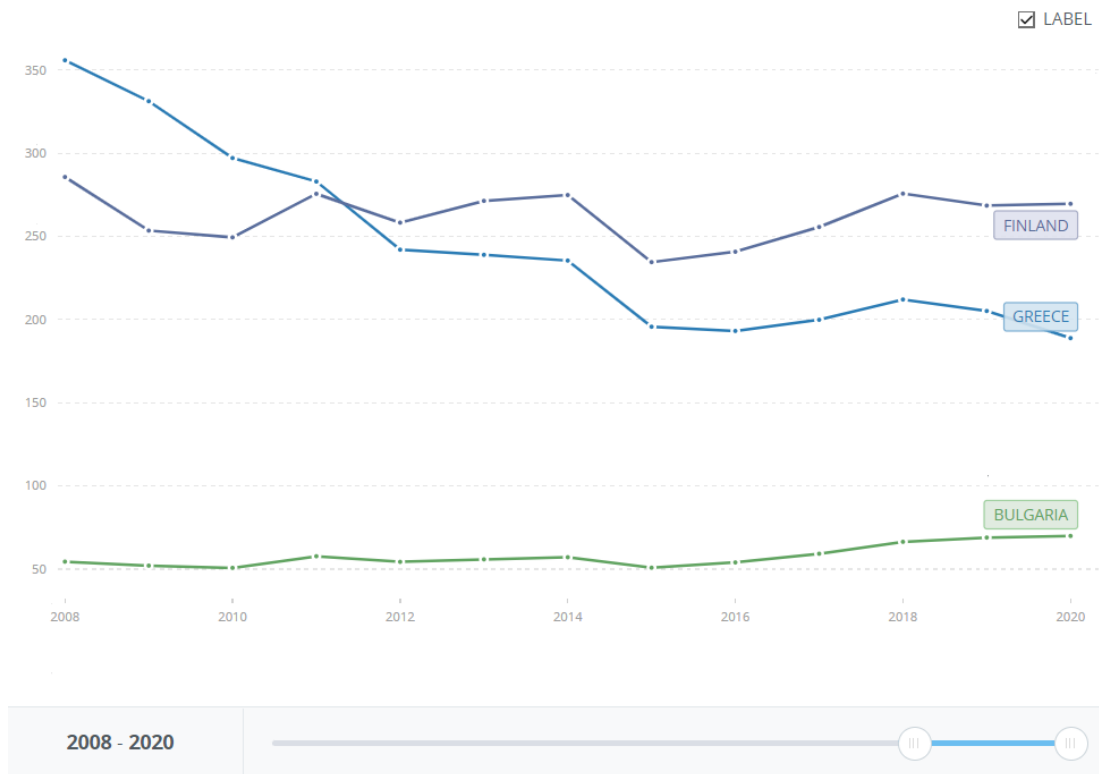
Graph 6- GDP per capital (PPP)³²



Graph 7- GDP³³

³² <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>

³³ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>



The first thing we notice is that the level of GDP is in line with most of the previous figures (Finland topping, followed by Greece and Bulgaria respectively). The second and most interesting observation is that Greece shows growth in the middle of its crisis time, starting from 2012 to 2019, but at the same time having suffered a recession in the economy since 2008 (the highest result is 30585 thousand dollars), again, as in most cases in 2020, there is a decline in the indicator compared to the previous year, as in past cases, unfortunately caused by the Covid-19 pandemic, which upset the balance and hit the global economy.

Finland and Bulgaria, starting from 2009, have not stopped economic growth even up to this time*.

As we can see, the citizens of Greece are almost 1.5 times richer than the Bulgarians, although in recent years this gap has narrowed due to higher GDP growth rates in Bulgaria. But at the same time, the inhabitants of Finland are 1.7–1.9 richer than the same Greeks, and Finns favor faster GDP growth. Greece has the worst performance in terms of growth rates, but its positive dynamics and not a critical decline in 2020 may indicate the correct policy of the Greek government applied in these years, including in the fight against inequality, since it was found that these are interconnected things. You can also notice that this is probably one of the main reasons for unemployment in Greece, since by all accounts it is cyclical, that is, it occurs during a crisis, an economic downturn. And if we compare the GDP, then it began to grow in 2013 at about the same time (2013-2014) the decline in unemployment in the country began, which in turn can be seen from the second graph.

This is good evidence that all economic variables depend on each other, and that reforms aimed at overcoming the consequences of the crisis or whatever, will directly affect the indicators of inequality that we identified and explored above.

3. Overview of Greek government reforms

Based on all the above sections, significant reforms for us will be in the field of income redistribution (tax), education, the labor market (the fight against unemployment), and, consequently, in the field of social security (social payments, pensions), migration policy, anti-crisis programs and finally reforms implemented directly by the bodies of the European Union.

But before proceeding directly to the reforms themselves, it is important to mention the background against which they took place and are taking place to this day, namely the fight against the crisis consequences. And the topic of inequality in Greece was not chosen by chance, since in some articles there were statements that it was possible to overcome the crisis by fighting inequality, in addition to this, we can say that even if the reforms were not directly aimed at overcoming this problem, then all indicators are closely interconnected, and in any case, reform in a particular area will have a direct or indirect impact on the problem under study.

I also wanted to separately analyze tax reforms, since they are often applied and, in most cases, do not fit into the above-announced time frame, so we will start with them.

3.1 Tax reforms³⁴

As it turned out in the previous sections of the work, income inequality is one of the main reasons for socio-economic inequality, and Greece was no exception in this regard, showing not the best results compared to the average indicators for the EU and the most developed countries (Finland). To solve this problem, a tax is perfect, which is a very powerful tool in the hands of the state in the distribution of income, first of all it concerns direct taxes, the main type of which is income tax. In simple terms, this is a certain percentage of the income of an individual, rallied with a certain frequency in favor of the state (its budget). Greece uses a progressive tax

³⁴ THE ECONOMIC ADJUSTMENT PROGRAMME FOR GREECE
https://ec.europa.eu/economy_finance/publications/occasional_paper/2010/pdf/ocp61_en.pdf

rate, which means that the larger the taxable amount, the greater the percentage that will have to be paid, but we will consider all types that interest us.

The short working paper “The Tax Structure of the Economy in Crisis: Greece 2009-2017” by Leventi Chris and Picos Fidela outlined five significant income tax reforms during this period, clearly showing the changes they brought about, as well as the topic of their impact on poverty and inequality is slightly touched upon. Further, I propose to consider this issue in more detail and see what role these reforms played for the indicators studied in the previous chapter (to find a correlation), using the approaches of these authors, since they provided information for understanding very conveniently. It is also worth noting that the search for information on reforms in this area is very difficult, and the Greek web resource <https://www.taxheaven.gr/klimakes> and OCED reports have become the main source for tracking the dynamics of changes for me.

As expected, these reforms took place directly against the background of the fight against the financial crisis in the framework of the "Greek program" in 2010, the effectiveness of which is disputed to this day - structural tax reforms occupied a special place in it. Why we are talking about failure is because its main task was to reduce the effects of the recession and therefore reduce the sovereign debt of the state, but if in 2010 it was 125% of GDP, then by 2020 this figure was 185% without taking into account the Covid 19 pandemic , you can learn more about this in the article at the link, but still we are more interested in the impact on inequality.

2010–2014, 2016

From 2010 to 2014, there were three significant changes in income tax, in April 2010, October 2011 and December 2012, the evolution of the main ones you can see in the table below:

Table 6-The impact of reforms on income tax in Greece until 2016³⁵³⁶

	2009	2010	2011-2012
Tax bands	5	9	8
Max tax rate	40% (for annual incomes over €75 000)	45% (for annual incomes over €100 000)	same as in 2010
Zero tax bracket	<ul style="list-style-type: none"> • €12,000 for employees and pensioners • €10,500 for all others 	<ul style="list-style-type: none"> • €12,000 for all 	<ul style="list-style-type: none"> • €9,000 for persons aged below 30 or above 65 • €5,000 for all others
Increase in zero income tax bracket due to children	<ul style="list-style-type: none"> • 1st child: €1,000 increase • 2nd child: €2,000 increase • 3rd child: €10,000 increase 	<ul style="list-style-type: none"> • 1st child: €1,500 increase • 2nd child: €3,000 increase • 3rd child: €11,500 increase 	<ul style="list-style-type: none"> • 1st child: €2,000 increase • 2nd child: €4,000 increase • 3rd child: €7,000 increase
Tax allowances / credits	spending on private insurance / installation of eco-friendly energy systems eligible for tax allowance	spending on private insurance / installation of eco-friendly energy systems eligible for tax credit	tax credits: 50% reduced tax allowances: abolished

1. In 2009 a further EUR 1 000 increase in the lowest income bracket is applicable for each subsequent child after the third. In 2010 (2011-12) a further EUR 2 000 (EUR 3 000) increase in the lowest income bracket is applicable for each subsequent child after the third.
2. Since 2010 the tax base was extended to include unemployment benefits, large family benefits and non-contributory disability benefits, when taxable income exceeded EUR 30 000 a year.

As you can see, due to the financial crisis, the government had to raise the tax rate in a country that had already been one of the highest in Europe. In addition, many different tax categories and scales were introduced (the existing ones were divided). For example, self-employment received a separate scale and spirit categories, an emergency income tax (1% -4% depending on income) was introduced in addition to the existing one.

Also, 2010 was remembered for the introduction of many special fees, for example, for the self-employed 300 euros per year, later in 2011 it will be increased

³⁵ https://www.oecd-ilibrary.org/economics/estimating-the-distributional-impact-of-the-greek-crisis-2009-2014_5jlv2jl6c9f3-en

³⁶ <https://www.taxheaven.gr/klimakes>

to 500-650 depending on the location of the object, solidarity fees for pensioners and for people with high incomes in favor of the unemployed can also be included here (Greeks (2012)), in addition, since 2011 there are separate tax rates for pensioners, which were increased a year later, they also have a progressive income and vary from 3-12% depending on the size of the pension.

Property taxation is one of the highest in Europe due to the fact that the inhabitants of the country have a large income from tourism, but in addition, an emergency tax was also implemented from 2011-2013, which varied depending on the size, value and size of the property. To combat unemployment and stabilize the labor market, which will be discussed a little further, reforms were carried out in the field of social insurance, so for the private sector their deductions were increased by 0.5% in 2011, in 2012 for self-employed workers, and in 2013 for farmers on sickness insurance, but in 2014 sickness insurance was reduced for all workers, and contributions to family benefits were abolished altogether.

With regard to indirect taxation, since 2010 VAT has been increased from 19% to 23%, this also applied to the base and reduced rates, which increased by 1 and 2% respectively, and excises on various products, especially fuel, which could not affect the consumer basket.

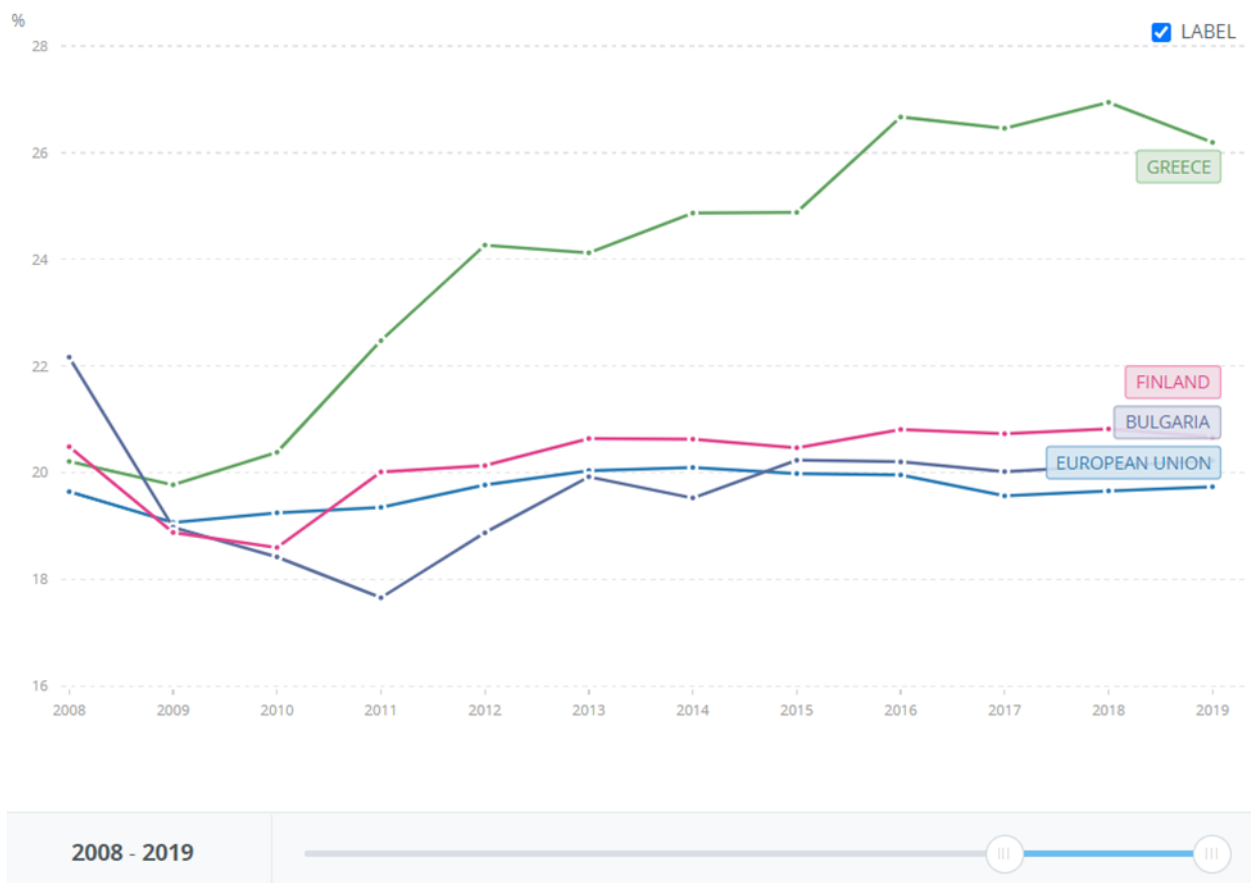
As we remember from the previous chapter, the Ginny index and all other indicators directly related to income began to improve after 2014, this may be due both to these reforms and in the field of education and the labor market, which will

be discussed later, now it is worth looking at what the Greek government did in general terms next, and whether the vector of the applied tax policy has changed.

In 2016, firstly, the solidarity fee introduced in 2012 was revised, its rate began to fluctuate from 2.2 to 10% depending on income. For income tax, the income bar was lowered, while the rate for the highest tax was increased by 3% compared to the previous year. The tax on dividends, which I did not mention above, increased from 10% to 15%. The only thing that has decreased so much is the tax-free income rate from 9,500 euros per year to 8,800 euros. This may indicate the high dependence of the Greek budget on taxes, as well as in the fight against public debt and the consequences of the crisis, proof of this is the graph that shows tax revenues (% of GDP). On it you can see that Greece shows not only the highest level among the countries studied, but also much higher than the average European one.

Graph 8- Tax revenues by selected countries (% of GDP)³⁷

³⁷<https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?locations=XJHTTPS://DATA.WORLDBANK.ORG/INDICATOR/GB.XPD.RSDV>



2019–2021

Over the previous years, there were no global changes in addition to adjusting the figures, but in 2020 (from 2019 to 2020) the government decided to look at the criteria for a tax resident in order to increase their total number, for example, now the total number of days spent in Greece is considered, and not continuous, changed the concept of social ties and the like. An important factor influencing rich people, and consequently, reducing inequality, was the introduction of alternative taxation, which applied to income from foreign sources, and which included a one-time, annual tax. The tax was reduced for all income scales, by 1-2%, the tax on dividends

was reduced to 10%, and then to 5%. This is about the main aspects that interest us.
n

On May 18, 2021, law 4799/2021 was adopted, which reduced the rates for many types of taxes, in particular, suspended solidarity tax for certain categories (private sector), reduced corporate income tax and income tax prepayment.

As we can see, such changes have benefited the indicators of inequality, showing the distribution of taxes, what are the Gini coefficients and S80 \ 20 worth, what about the overall economic situation as a whole, then judge for yourself from the above additional indicators, since this question do not relate directly to the topic of the diploma, but I will summarize my thoughts in general in the conclusion.

3.2 Education reforms

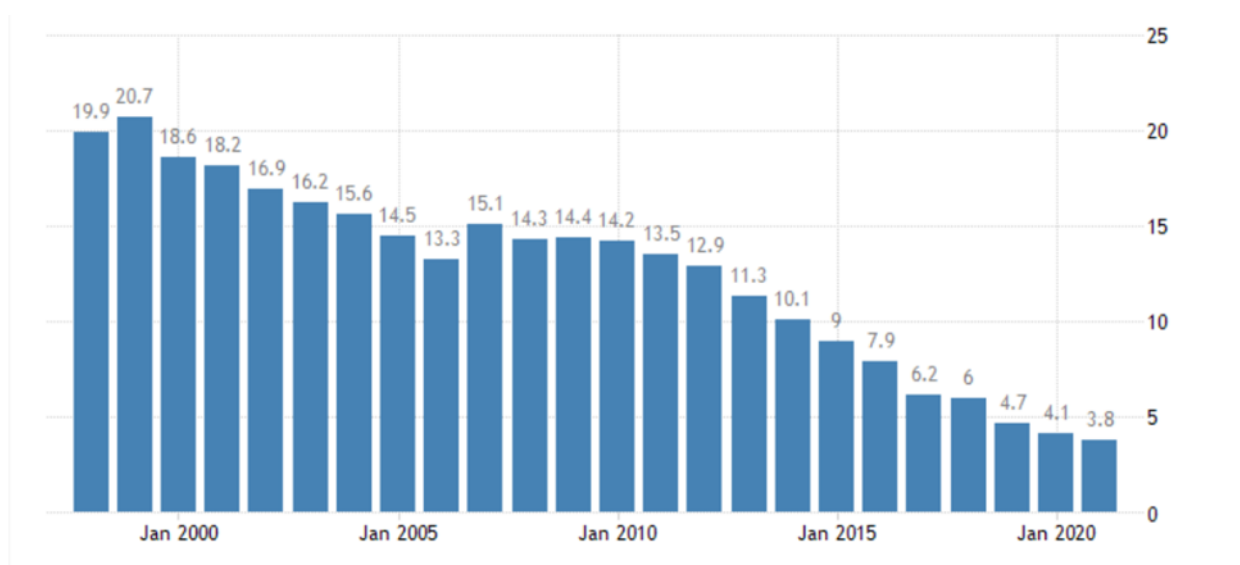
2013³⁸

Since 2008, there have been many small and insignificant changes in this area, which, as we could see, did not have a significant impact on changes in indicators, but if we look again at the indicators of education, namely its index, which consists of two indicators, we can notice noteworthy for us was 2013, after which their more rapid growth began. As for me, fundamental changes begin from this year, so it is worth starting from this point, where the reports of Hellenic or the Greek National Reform Program will serve as the main source for study. In 2013, the Greek

³⁸ 2013 European Semester: National Reform Program– Greece https://ec.europa.eu/info/publications/2013-european-semester-national-plans-greece_en

government set itself two main objectives within the framework of structural reforms for this and subsequent years: the first is that the percentage of students who dropped out of school should not exceed 10%, this task was on the agenda back in 2011, but it has not been so until now.

Graph 9- Percentage of those who left training earlier³⁹



As can be seen from the graph above, which shows the proportion of early dropouts, it clearly shows the beginning of the decline in 2011 and the achievement of this goal after 2013. By what means was this achieved?

Firstly, previous reforms were inherited, started in previous years, first of all, this concerns the professional development of teachers, who, together with their main work, were trained themselves and studied all sorts of new methods and approaches to teaching, creating projects, retraining, and the like. Some amendments

³⁹ [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Early leavers from education and training](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Early_leavers_from_education_and_training)

were made to law 3848/2010, which annually compiled a rating of teachers and, on its basis, distributed them to educational institutions, now directors directly cooperated with school consultants, which should have led to an acceleration of evaluation, and therefore evaluation between institutions - increased productivity. Secondly, new changes were introduced to the curriculum (limited). And also, by 2015, we planned and (executed) the creation of a program of specialized educational support for students with disabilities, financial support for institutions that conduct the above-mentioned new program, as well as the approval of new digital services related to facilitating learning. The latter was the first step towards the global digitalization of education, in the same year a plan was adopted to create a single digital platform, as well as the widespread use of computer technology for administrative purposes to improve the management of educational institutions at different levels of the state. This also included the modernization and funding of schools in this direction, as well as the training of teachers in computer technology. As for me, these are very effective reforms, due to their early application, as, for example, in Ukraine, such methods became widespread only in 2018, which I personally witnessed.

And the second goal of the 2013 structural reform, which played a key role in narrowing the gap associated with students who could not find work, is that 40% of citizens aged 30-34 should have a higher education. If we recall the table of the number of graduates who found a job after studying at the age of 20–34, then we can

see that the growth of the indicator also began in 2013 and by 2020 was striving for the pre-crisis indicators recorded in 2008.

This happened due to the following innovations of the global structural reform, namely: a change in the scheme of financing of universities and their management, by improving the HQAA (Hellenic Quality Assurance and Accreditation Agency) system, which deepened relations with universities and began to act as a kind of intermediary in the financing of institutions by the state. Accordingly, the financing scheme has improved not only for this structure, but also for the educational system as a whole, which kicked off well and contributed to the achievement of the government's previous goal for this year. Also, for each higher educational institution, Councils of Institutes were approved, which is one of the important aspects, since their role was not limited to some recommendatory nature, but performed the most significant role, which included the management and establishment of finance on the basis of building an annual strategic plan; and other administrative roles of various kinds. Also, within the framework of laws 4093/12 and 4111/13, all diplomas of EU members were equated in significance and status with Greek ones (professional equivalence).

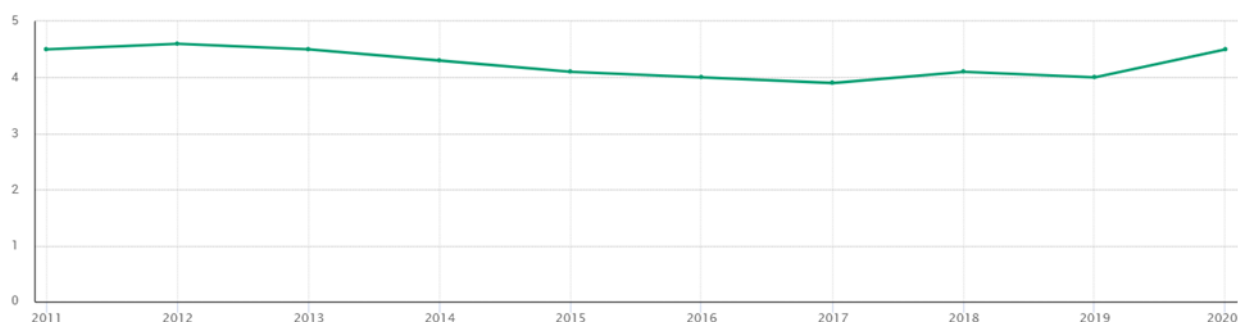
Well, the most significant reform for 2013 was the so-called “Athena plan”, which consists in uniting educational institutions or their branches, thus completely rebuilding the academic map of the country, the list includes not only universities, but also schools. The main objectives of this project were to create the so-called

centers of scientific development in the country, as well as to improve the quality of education itself, by providing greater professional opportunities for students.

2015⁴⁰

The next significant year for the education system was 2015, for the Greek government, in addition to the old challenges that were being addressed, new ones were added. The main task on the agenda for the coming year was the problem of a sharp drop in funding for education. Below is a graph that shows education funding as a percentage of GDP, where you can see that starting from 2011 (latest available information) from 4.6 to 4.1 in 2015 and continuing the negative trend until 2017. This state of affairs has had a detrimental effect on the educational process at all levels and its infrastructure, in particular.

Graph 10- General government expenditure by function⁴¹



Most of the reforms were carried out to achieve the goals of the Europe 2020 program. Mainly, the reform of the “digital school” was logically extended, which

⁴⁰ 2015 European Semester: National Plans – Greece https://ec.europa.eu/info/publications/2015-european-semester-national-plans-greece_en

⁴¹ https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/line?lang=en

meant the creation of a new, more advanced digital platform and the generalization of all previously existing ones, a deeper introduction of digital technologies into the school curriculum and the creation of many digital educational infrastructures for students.

For easier access to the labor market for graduates of technical specialties, various apprenticeship programs were widely introduced for the latter, which mainly financed, provided practice and competitions for employment.

The professional training of teachers continued, but if in 2013 it was associated with the digital industry, now the issues of employment, inequality, the quality of teaching, racism and the like were on the agenda. As you can see, special attention was paid to the labor market, therefore, a reform of initial vocational training programs was implemented, the main task of which was to strengthen the relationship between training and the labor market, now vocational training was adjusted to market demand, special attention was paid to specialties that were important for further economic development. This was achieved by improving and adapting existing training programs in accordance with market requirements and introducing new ones, as well as improving their quality to the standards of the European Union.

And the last significant reforms directly related to the problems of inequality were the promotion of equal access to school and higher education. Children from low-income families, international students or those with disabilities should not be left out compared to the richer ones, and their participation at different levels of

education should be maximized - these are the main statements of these transformations. This was achieved directly, by improving the training programs, as was the case in previous cases, with a focus on the types of students presented above (considering their interests).

As you can see from the table of education indicators, the percentage of students who found a job in 2016 increased by 5 units compared to 2015, and by 2019 by 9 more. Of course, this is a merit not only of these, but also of other areas of reform, but the fact that there is a direct correlation between them is an indisputable fact.

2016⁴²

In 2016, the results of previous years were revised and, accordingly, the reforms were adjusted for their furthermore effective implementation. Thus, the reforms announced back in 2013 and 2015 were revised, namely, that the percentage of students who dropped out of school should not be more than 10%, 40% of citizens aged 30–34 should have higher education and equal access to education at all levels. Despite the fact that in some areas the relevant goals were achieved or were close to it, for example, by 2015 the dropout rate was 9%, the main task for this year was to minimize these indicators as much as possible to counter the recurrence of these problems. The reforms within the framework of Europe 2020, PPO and others that

⁴² 2016 European Semester: National Reform Programs and Stability/Convergence Programs
https://ec.europa.eu/info/national-plans/2016-european-semester-national-plans_en

have already been described were also revised (their goals have not changed, only the methods).

Of the innovations, we can mention a joint program with the OECD, which was aimed at modernizing the education system using the experience of other European countries, this included monitoring other reforms, in fact, what was described in the paragraph above, reviewing the financing procedure and its transparency, developing schools and their staff (training) and many other less significant innovations.

2018⁴³–2020⁴⁴, 2022⁴⁵

In 2019, participation in the Europe 2020 program was coming to an end, and the main goal regarding early leaving educational institutions was achieved, for this year it was 4.7 percent, which is several times less than in 2011-2013 and then was announced program. In 2018, the year before, one-off measures were taken, as in 2016, to improve the situation of previously implemented reforms and goals, first of all they concerned the above problem, as well as social protection of the poor and some administrative changes.

Let's start in order, for vulnerable groups of the population, the education infrastructure was revised, first of all, the number of psychological centers at

⁴³ Hellenic Republic National Reform Program 2019 https://ec.europa.eu/info/sites/default/files/2019-european-semester-national-reform-programme-greece_en.pdf

⁴⁴ 2020 European Semester: National Reform Programs and Stability/Convergence Programs https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/national-reform-programmes-and-stability-or-convergence-programmes/2020-european_en

institutions increased and the number of workers in this area for schools increased. In-depth research work has been done to study early withdrawal from education and the impact of the socio-economic impact on this. A mass recruitment of teachers in educational institutions has been opened, for their full staffing, and functioning in the long term, as well as supporting the labor market in this area. Law 4547/2018 established Centers for the Support of Pupils and Education in the Regions (KESY). For children and students with disabilities, the creation of appropriate educational equipment was provided.

To improve the quality of education, the process of the school system as a whole was revised, now compulsory school attendance began at the age of 4, where the first three years are preparatory. And all exams and tests in foreign languages began to correspond to European quality and were tied to CEFR. The reform of initial vocational training programs launched in 2015 has been improved, student programs have been expanded and their programs have been improved, the range of specialties offered has also increased, and the labor market for current years has been revised accordingly.

In the administrative sector, as for me, there is only one significant innovation, namely the law 4547/2018. It is mainly aimed at monitoring and evaluating the skills of the staff of educational institutions and their selection. Regional centers were founded

education planning and educational and consulting support centers. And law 4521/2018, which modifies the single education number for the student and was

adopted at the same time, does not have a significant impact on the inequality indicators studied in this paper.

2020 seemed to be one of the most difficult years for the global economy due to the emerging Covid-19 pandemic, but at the same time, the goals set within the framework of the Europe 2020 program were met in full, so for 2020 the rate for early school leaving was 4.1%, the maximum should be 10%, as well as reforms aimed at participation in education of the population aged 30-34 years, gave a significant increase in the rate for graduates of higher educational institutions who found work. As you can see, during the pandemic, the level of education did not fall, but for me, all this happened thanks to the reforms carried out by the Greek government before, as they were aimed at overcoming the effects of the financial crisis. But I also wanted to highlight the digitalization of education, because it played a decisive role in this, since for a long time education in the country was distance learning. At the same time, the vulnerable sections of the population were not forgotten, so 20,000 digital devices were purchased for them, and the purchase of software and the like was simplified. And digital teacher training, launched back in 2013, has played a role in the long term.

What do we have as a result at the current moment, and what goals has the Greek government set for itself for the current time? Despite the success in previous years, investments in the digitalization of education are still planned, which should be received by the 3rd quarter of this year. For vocational education and training, 4 projects are being prepared for further development in this area. They include

equipment upgrades, regular market research, establishment of vocational apprenticeship schools and more. It is planned to launch an international cooperation program with foreign universities, among which are Harvard and Yale universities. Also at stake is the modernization of preschool education, children can be admitted to kindergartens from three months. On the agenda is the issue of passing a law, which is to decentralize the country's universities, which should increase financial support and reduce bureaucracy.

1.3 Labor market reforms⁴⁶

As we can see from the previous chapter, from 2008 to 2013 Greece experienced a high and sharp rise in unemployment, but then after 2014 it stabilized and began to move towards pre-crisis levels, in addition to this, Greece performed the worst among the compared countries in this comparison. The labor market is directly related to the amount of income of citizens and plays a very important role in the study of socio-economic inequality, so it is worth paying due attention to it in this regard and following what the country's government tried to do before 2013 and what after. The main goal of the Europe 2020 program was that 70% of the population aged 20-64 should be employed.

2012

By this time, the unemployment rate was still falling and its rate was growing compared to 2011, so the Greek government urgently needed to take urgent

⁴⁶ For the most part, the above-translated sources and parts of pro-education are used.

measures, which eventually resulted in a number of reforms, first of all, a reform was carried out that revised the minimum wage system fees, in 2012 it began to amount to 876.62 euros, in addition to this, the reform included further monitoring of the economic situation in the country in order to obtain results that contributed to the further development of this direction.

Due to the financial crisis, many small entrepreneurs (self-employed) lost their income, so since this year the Employment Organization has provided them with various kinds of financial support. As well as with education, attempts were made to digitalize this area, that is, the electronic acceptance of documents by employers was encouraged, and labor market institutions at all levels were digitized, just as was the case with educational institutions. This was to reduce the bureaucracy within these institutions.

The following reforms were aimed at improving the flexibility of the labor market, using the experience of other European countries. First of all, the change concerned agreements at the level of firms, they now had a higher priority than collective if it was beneficial for the employee, and many amendments were made here regarding wages. In addition, measures have been taken to increase competitiveness in the labor market and in the business sector. For this, law 4093/2012 was introduced, which was mostly related to issues related to and regulating employment contracts.

In addition, much attention was paid to the issue of youth and vulnerable social groups. In the first case, all programs related to the reforms already described in the

framework of education and some other additional measures in the form of creating 5,000 jobs in the private sector, a two-year program to increase social benefits, thereby facilitating the access of the unemployed to the market, various training programs and much more. In the second case, new and modernized old, relevant institutions were created, including Specialized Training Centers, for pensioners - various funds (Social Partners Fund).

2013–2016, 2019

2014, as we remember, was a turning point for unemployment rates, for the most part this became possible thanks to competent work on the bugs. In 2013, unemployment rates for all age groups without exception fell, including the self-employed who hire workers, the average annual (at the beginning of the 1st quarter it was 53.0%, and by the 4th it had decreased by 52.8%) and overall levels of employment.

Therefore, in 2014, the government decided to go the other way and decided to encourage citizens to look for work, so the minimum wage was revised, which this time was reduced to 683 euros, the same situation with social benefits and insurance, the first decreased by 3.9 %, the second by 2.9%, which in the long term reduced costs for firms and increased their competitiveness and the proposed wages for employees.

The regulatory framework regarding temporary employment has been revised, which is aimed primarily at combating seasonal unemployment, which is one of the

main problems for Greece, through the development of tourism. And the scheme of management and financing of state-owned companies (restructuring) was revised for the same purposes.

To control employment in the private sector, as well as to monitor and collect statistics on the labor market, the information system "ERGANI" began to operate in the country on March 1, 2013, with its further development. The digitalization of administrative institutions of the labor market also continued, its main goal was still to fight red tape and speed up processes at all levels to reduce the administrative burden on enterprises and employees (mainly this consisted in the possibility of electronic filing of documents).

In addition, special attention was paid to the fight against undeclared and uninsured work. These included high fines to the employer (at that time about 10,000 euros per employee), the creation of a special body "ARTEMIS" to deal with this problem, the establishment of full interconnection and cooperation between all inspection bodies in the country with further expansion of their competence (Law 4255/2014). In other respects, other measures duplicated, with slight changes, the description of the measure for the previous year and in the education section (concerning youth employment).

From 2014 to 2015, unemployment in the country began to fall, but still remained at a high level, but since there was a positive trend in this indicator (the overall employment rate also increased by 1.5%). Therefore, it was decided to continue all existing reforms by constantly monitoring them with existing tools,

while making small changes. So in 2015, the State Employment Service was slightly modified to simplify existing procedures, improve its relationship with representatives of the private sector and other enterprises and adapt to existing labor market conditions. Additional programs were also implemented to gain work experience (for example, subsidizing jobs, supporting youth and transforming benefits into support and training for the unemployed), supporting youth, pensioners, vulnerable groups of the population, the main idea, to which 9975 has already been described before.

2016 was practically the same, but still there are a few points that are worth paying attention to, well, firstly, there were first assessments of inspection work, so in 2015 we managed to find 5,562 enterprises, which in total contained 9975 employees. To support young people, several new projects were established, among them 18 million euros were allocated to encourage young entrepreneurship, 45 million euros for training programs with guaranteed employment, 39.75 million euros for vouchers for young unemployed people and others (this also applied to pensioners). It also provided for the reform of the National System of Occupational Health and Safety, within its framework, first of all, the monitoring system was improved to further prevent accidents and unforeseen situations in the workplace. Also, Law 4430/2016 provided for a change in legislation for the social and solidarity economy through the creation of new institutions in the person of the Special Secretariat for Social Solidarity and Social and Solidarity Economy Support Centers, as well as the simplification of bureaucratic procedures (digitalization).

In recent years, up to 2019, there has been an increase in all indicators in this area, which indicates a relatively correct government policy and stabilization of the economic situation in the country. Most of the measures described above continued to exist, such as the reform of collective labor agreements, as well as support for many training and monitoring programs.

As can be seen in comparison with the indicators given in the previous part, all these measures were able to stabilize the situation on the market and cope with the consequences of at least the first crisis.

2020, 2022

As it has already become clear, the covid-19 pandemic, first of all, had a negative impact on the labor market, and in terms of all socio-economic indicators, they began to roll back to the indicators of 2019. But as was the case with education, the experience of the past years was used in the fight against the crisis. Therefore, first of all, from June 15, 2020, to May 31, 2022, the Greek government decided to develop a short-term benefit payment scheme (SYN-ERGASIA). On October 1, 2020, a plan to create 100,000 subsidized jobs began.

And from January 1, 2022, the launch of the PROTO ENSIMO program was planned to facilitate the entry into the labor market of young people under the age of 29 (creation of 50,000 new jobs). The program of the next National Diagnostic Mechanism for 2021-2023 is also planned for the next study of market needs.

To attract investment in the private and public sectors and, consequently, create additional jobs, the Research Create Innovate program was created.

Conclusion

As could be seen from the very beginning, since 2008 there has been a rapid and deep decline, without exception, in all studied socio-economic indicators. And only in the middle of 2013–2016, the situation in Greece began to stabilize, almost catching up with the initial values, and in 2020 still falling short of most of them. The two biggest crises of the 21st century, namely the global financial and economic crisis and the crisis that arose against the backdrop of the Covid-19 pandemic, were mainly to blame for all this. Therefore, all the reforms and programs described above were directly implemented against the background of the fight against them.

And as already mentioned, the financial and economic crisis, 2008-2015 in the case of Greece, hit its economy hard. The government was forced to carry out anti-crisis measures aimed at saving the financial sector (which directly affected the distribution of income in society), as well as counteract the economic downturn and many other indicators. The crisis had a more significant impact on Greece, studied in that work, compared to the recession in other eurozone countries due to the presence of serious structural problems in the economy of our country, this can be seen not only against the backdrop of a successful European country like Finland, but also on a less promising Bulgaria, which for all its shortcomings in some cases performed better on some criteria during the crisis than Greece, first of all in the

labor market, while having a worse position from the very beginning (in terms of indicators).

Not all reforms were successfully consolidated the first time around, as many of them could be seen to be ongoing over a long period of time and could ultimately have a positive effect on the measures I studied for socioeconomic inequality. It is important to note that this paper did not study the consequences on the overall economy of the country (this issue was touched upon indirectly), and therefore, from this point of view, their effects may be counterproductive. Returning back to the topic, it can be argued that a properly created monitoring system played a significant role in this. It was with their help that it was possible and possible now to evaluate the progress created by the reforms annually, thanks to which the Greek government was able to stabilize and adapt the changes to the realities of the country that existed at that time.

Today it is difficult to find fresh data on indicators, since most of them are only at the stage of collection and formation, but despite this, it can be clearly seen that for 2020 there was a decline in indicators due to the Covid-19 pandemic, but at the same time, it was not as critical as in the case of the financial crisis. And although their nature is different, but the methods of struggle, in the case of the indicators of socio-economic inequality studied in this paper, remain the same. Therefore, in most cases, the Greek government repeated already proven methods, which, with the help of previously created monitoring structures, were simply adapted and interpreted to the realities of our time.

At the time of this writing, the world has yet to face new challenges, namely those created against the backdrop of Russian aggression and the war in Ukraine, which could lead to food and financial crises. Based on all of the above, I assume that Greece will continue and will continue the described reforms with their subsequent evolution and adaptation to the needs of society and the economic situation in the country.

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