

New forms of employment Voucher-based work, Greece

Case study 54: Policy analysis

The introduction of a new system in Greece to pay casual workers in vouchers aimed to address breaches in the social insurance system, reduce undeclared work and improve the social protection of casual workers. While the system has already yielded some success, it is not yet in widespread use.

Introduction

In 2010, the Greek government launched a service voucher system – an arrangement which sees vouchers used to pay workers for services in specific sectors. The primary aims were to:

- address violations of the social insurance system in particular types of casual employment;
- reduce undeclared work
- improve casual workers' social protection.

The scheme introduced two significant changes to the system of social security and the payment for two types of casual employment – domestic workers insured by the Social Insurance Institution ([IKA](#)) and agricultural labourers insured by the Agricultural Insurance Agency ([OGA](#)). The first change was to the way domestic workers were paid. It enabled people hiring household-related services and agricultural services to pay with vouchers instead of cash. This included making social insurance contributions. The second change was to the way these types of casual employees were insured by their individual employers.

This report looks at the service voucher system in Greece and is based on information gathered during interviews with:

- officials from IKA;
- the directorates responsible for the terms and conditions of employment and the insurance for employees at the Ministry of Labour and Social Security;
- a member of the General Confederation of Greek Workers (GSEE);
- employers and employees using the service voucher system.

Background and objectives of the service voucher scheme

The service voucher constitutes a new system of social security for certain categories of casual workers. It is a special money order or cheque of specific monetary value that includes the net wage of specific categories of casual employees plus the employer's social insurance contributions. It constitutes the only means of transaction between the employer and specific categories of casual employees for the provision of specific services.

The employer can only be an individual or a private organisation, and not a public sector body. The service voucher scheme covers:

- domestic workers;
- agricultural labourers;
- casual workers employed by private companies for the distribution of advertising material;
- individuals employed during athletic events.

Before the introduction of the voucher system, all these categories of employees provided their services through a standard employment relationship (in the case of domestic workers in dependent employment) or through a buyer–seller relationship.

To better understand the service voucher system, it is worth briefly looking at the system that had been used previously for the remuneration and insurance of domestic and casual workers by both private individuals and private sector organisations.

Before the introduction of the service voucher system, private individuals who employed domestic workers as well as companies employing casual employees had to:

- pay their insurance contributions to a social insurance institution such as IKA where domestic workers, among many other types of workers, are insured;
- submit an analytic periodic statement (APS).

The APS included information on:

- the period of employment of each insured person;
- their start and finishing date;
- their wage;
- the sector of their employment;
- the amount of their social insurance contributions.

In this sense, the APS system constituted a registry tool used to monitor the employment of casual and domestic workers, among other employment categories, according to specific guidelines.

The social insurance contributions through the APS system constituted 35.4% of the employee's gross wage. Moreover, individuals and companies who wanted to use household services had to draw up an employment contract and register the employee to two different organisations – the appropriate social insurance institution and the Manpower Employment Organisation ([OAED](#)) if the employee had a registration number, or the Hellenic Labour Inspectorate ([SEPE](#)) if the employee did not have one. Individual employers incurred heavy financial penalties if they failed to register the employee or to submit the analytical periodic statement

Casual workers employed by more than two employers acquired 'self-employed' status and were insured by the social insurance institution concerned as self-employed individuals. In addition, there was a minimum wage according to the National Collective Agreement for full-time employment (that is, 40 working hours per week) which amounted to €586.08 (gross wage) per month for those above 25 years old and €510.94 (gross wage) for those under 25. After completing 40 hours per month, employees were entitled to overtime pay. In addition, employees were entitled to:

- a pension when they had completed a specific number of insurance days and reached the official retirement age;
- severance payments;
- social benefits (the right to apply for public childcare);
- holiday entitlements (for Easter, Christmas and summer);

- cash benefits for sickness, maternity leave, funeral expenses
- sickness benefits in kind.

Domestic workers in dependent employment who lived on the their employer's premises were excluded from these guidelines as their employment relationship was not subject to the specific regulations governing working time, holiday entitlements and overtime pay of the employees in dependent employment, as well as their minimum wage. The wage of this specific category of domestic worker depended on the agreement between the employer and the worker.

The problem with the APS system was that it did not always successfully allow people access to social insurance. People who wished to use household-related, and especially casual, services had to follow complex administrative formalities in order to employ workers for casual work.

There were also serious problems monitoring the APS system. Inspectors were not allowed to enter private households without the permission of the owners, and there was an unwillingness among many individual employers to insure their employees. It meant many casual workers provided their services without social insurance as they were not declared to the relevant insurance organisations. This had led to a high incidence of undeclared domestic work and a loss of public revenues for the government.

Finally, there was an abuse of the system since, in many cases, individual employers paid social insurance contributions for individuals who had never actually been employed by them. This was particularly prevalent where family members had been unemployed for specific periods of time. They paid bogus social insurance contributions in order to secure the right to receive health and pension benefits without being actually employed. This was also sometimes done by immigrants wanting to renew their residence permit.

The voucher system was introduced on 15 June 2010 by the Ministry of Labour and Social Security under the provisions of articles 20–24 of law 3863/2010 ('New insurance system, relevant provisions and labour regulations'. Its aim was to:

- facilitate access to social insurance for specific categories of casual workers;
- support private households to get access to, and formalise, services;
- confront the violations of the social insurance system;
- limit the abuse of the benefit system by simplifying the process and the way of insuring these types of casual workers.

The service voucher system does not constitute a new form of employment but a new form of social insurance.

The voucher scheme was developed by an expert committee established in December 2009 that was responsible for the design of the new Greek insurance system. The committee was formed of individuals from many organisations including:

- experts on specific legal and accounting issues;
- representatives from different insurance institutions;
- professors specialised in employment law, social insurance and public policy;
- representatives from the General Confederation of Greek Workers (GSEE) and the Hellenic Federation of Enterprises (SEV);
- experts on the management of health services.

It also included high-level administrators from the Ministry of Labour and Social Security including representatives of the General Secretariat of Social Insurance as well as special consultants to the Minister of Labour and Social Insurance.

The voucher scheme was proposed by academic professors who worked with the committee. They highlighted the example of the French voucher system and specifically the way that the

French voucher system was used to regulate the payment and social insurance contributions of domestic workers. This part of the French system was analysed based on desk research and then adapted according to the guidelines of the Greek employment and social insurance laws. There was no specific exchange of experience with other countries.

The voucher system was implemented on a pilot basis in September 2011 and universally from 1 January 2012. Law 3863/2010 introduced the general framework of the service voucher system, the implementation of which was specified by further detailed circulars.

Circular 68 of 9 September 2011 issued by IKA set out the principles concerning the specific types of casual employment covered by the service voucher system, namely domestic workers and agricultural labourers. It also specified the organisations that could issue and distribute the vouchers (banks and post offices) and the amount of social insurance contributions offered by the employers. This was set at 20% of the amount written on the service voucher for domestic workers and 10% for agricultural labourers. The comparable rate for standard employment was around 35%. The voucher workers were entitled to the same benefits as under the previous APS system. On 29 December 2011, IKA issued the general document A21/449/18/29.12.2011 ('Related to the implementation of articles 20 and 21 of Law 3863/2010 and the calculation of the insurance days of employees under the service voucher scheme'), which contained the original instructions on how to calculate the number of days for which voucher workers are insured:

Days of insurance = $2 \times \text{amount of social insurance contributions (20\% or 10\% in euros)} / 11.88$.

It is necessary to calculate the days of insurance as they provide the basis for the provision of social benefits. The days of insurance are spaced equally over the three months of the trimester when the service voucher is redeemed.

The amount of social insurance contributions was doubled in the calculation to create a generous insurance system for the employment categories concerned. This was considered to be a good idea in order to provide casual employees who had difficulty in collecting days of insurance because they did not have regular employment with adequate insurance plans and also provide an incentive for them to demand corresponding insurance from their employers.

In the calculation, the doubled amount of social insurance contributions is divided by 11.88 – a figure linked to the way IKA calculates the daily wage of unskilled workers and their insurance days. Under Circular 68 of 2011, the number of days under which a service voucher worker is insured cannot exceed 30 days per month, 90 days per three months or 360 days per year.

Since then, more circulars have been issued in an attempt to regulate the implementation of the service voucher scheme, the most significant being Circular 43 of 2013 ('Remuneration and deduction of contributions in casual employment with the process of issuing and redeeming of a specific money order: The service voucher'). The circular added new forms of casual employment under the service voucher system, introduced a new way of calculating the social insurance contributions and recognised more benefits for casual workers.

A further modification of the system, in March 2014, came with Law 4225/2014 ('Upgrade and improvement of the mechanisms for the collection of insurance contributions and fines for uninsured and undeclared work'); Article 6 introduced a new category of casual employment under the service voucher system, namely casual personnel employed during the organisation of sport competitions and events.

This seems to indicate that the voucher system in Greece is still a work in progress and is likely to undergo a number of additional modifications before it can be considered as an established and fully regulated system of social insurance for casual work.

However, continuous modification of the system might create confusion among users since they need to be up-to-date with the contents of the most recent circulars that attempt to regulate the voucher scheme.

In most of the cases, committees of high level administrators and experts on employment law and social insurance issues from the Ministry of Labour and Social Security drafted the circulars. They took into consideration requests for modifications and further guidelines from the General Secretariat of Social Insurance based on the experience of individual employers who were trying to implement the system in practice. These proposals required approval by the political leadership of the ministry. In other words, the process of developing the system was formal and quite smooth, and was based on the collaboration between civil servants and politicians at the Ministry of Labour and Social Security.

Characteristics of the service voucher scheme

The service voucher system at the time of the case study is regulated by Circular 43 of 2013 and Law 4225/2014. The circular outlined a number of changes concerning the calculation of the insurance days. This is now given by the formula: Days of insurance = amount of social insurance contributions (in euros) / 11.63.

This new formula abolishes the doubling of the amount of social insurance contributions and reduces denominator from 11.88 to 11.63.

These changes were suggested and introduced by IKA for several reasons. First, the doubling of the amount of social insurance contributions was considered to be too generous as it provided service voucher employees with days of insurance without them having actually worked for these days. Second, the formula introduced unequal treatment between different categories of casual employees insured by the same body, since for all other categories, there is no doubling of the amount of social security contributions.

The circular banned the provision of vouchers to first and second degree family members to eliminate abuse of the system by people who wished to pay and especially insure their unemployed family members.

The circular also reduced the number of days under which a voucher worker could be insured to 25 days per month or 300 days per year. The reduction of the days of insurance was introduced when the scheme was expanded to include workers from private organisations on the grounds that most employees normally work for 25 days per month and not during the weekends. This indicates that the days of insurance of the voucher worker are independent from what the voucher worker really earns.

Finally, the circular increased social insurance contributions to 25% of the workers' gross wage. For example, if a voucher worker receives €600 net wage in a month, the social insurance contributions are €150 and the days insured are 13 ($150/11.63$). If the same employee manages to earn €1,800 in a month with €450 social insurance contributions, they should get 39 days of insurance ($450/11.63$). However, they will get only 25 days for this specific month and the rest of the days will be lost as there is a maximum number of days per month under which a service voucher employee can be insured. This also means that implicitly there is a maximum service voucher value that could be used by an employee during a calendar month and a maximum amount of money that a person could receive (equal to €1,163) if the intention is to make the system contributory.

To calculate the nominal value of the voucher, the employer needs to multiply the agreed net wage by 1.333. For example, if both parties have agreed on a net wage of €600, then the nominal value of the voucher would be: $€600 \times 1.333 = €800$. The social insurance contributions would be 25% of this amount: $€800 \times 25\% = €200$. The amount of the social insurance contributions is broken down as follows:

- 14.45% goes to the employee's pension contributions;
- 4.65% to sickness benefits (for example, hospital stays and medical tests);

- 0.86% to cash benefits for sickness;
- 4.32% to supplementary social insurance;
- 0.72% to social housing contributions.

Although the social housing organisation was abolished in 2012, employees and employers continue to pay 0.72% of their social contributions for social housing even though they are not going to use its services.

The same rules apply for standard employment. The cash benefits for sickness are provided to voucher workers who have completed work worth at least 120 days of insurance during the past two years. Work equivalent to 200 days of being insured must be completed in a year to be eligible for maternity leave benefits.

Sickness benefits in kind are provided to service voucher employees who have completed 100 days of insurance during the previous year or the last 15 months, excluding the last three months of the 15 months period. This implies that even though voucher workers have to pay for their social insurance contributions they may not get the corresponding social benefits as they might not accumulate the minimum required workdays. It also means that if a voucher worker finds employment during the last three months of the 15 months period, they will not receive the corresponding sickness benefits in kind.

Circular 43 of 2013 also expanded the occupations that fall within the scope of the service voucher system to include domestic workers in dependent employment who are employed by one or more employers for a specific period of time. Under the service voucher system, domestic workers are classified as performing the following tasks or offering the following services:

- housework services;
- gardening tasks;
- small-scale maintenance tasks;
- help with school homework;
- child-rearing services;
- assisting older people and people with disabilities;
- participation in rehabilitation programmes issued by non-profit organisations or institutes that support people with different forms of mental disabilities;
- beauty services;
- nursing services for patients or sick in bed individuals;
- assisting individuals with mobility problems.

Others classed as domestic workers by the service voucher system include:

- people who provide cleaning and gardening services for the public spaces of buildings without being employed by an organisation or an agency;
- people who distribute printed advertising material without a specific contact address;
- people employed for the promotion of beauty care products for the face and body on behalf of one or more companies at any location;
- people employed for the promotion of consumer products in supermarkets, food stores and department stores.

Recently Law 4225/2014 ('Upgrade and improvement of the mechanisms for the collection of insurance contributions and fines for the uninsured and undeclared work') included one more occupation that can use the service voucher system. Added to the list are people employed by professional and amateur athletic organisations or other legal entities only during the course of

athletic events that take place in athletic establishments. The tasks provided include the provision of insurance and maintenance services, administration tasks that support the athletic events, translating and parking services.

The voucher system covers all of the specified occupational categories across Greece with the condition that the employees offer casual work services 'mainly to private citizens' and to 'very specific organisations'. The only exception applies for domestic workers who can be paid with the vouchers even under dependent employment. In all other cases, the employment relationship is casual and there is not a way of establishing 'standard' employment relationships.

Public sector organisations cannot use the service voucher system. The same applies to most private sector organisations apart from organisations in the advertising and promotion sectors, and then only for the tasks specified above.

The decision to exclude most private sector organisations was based on the fear that they might exploit the voucher system and use chains of vouchers instead of standard employment. The Ministry of Labour and Social Security, however, believes in the value of the voucher system for private sector organisations, which is why it opened it to organisations that employ explicit types of casual workers. The idea is that the system will be tested and further regulated before it is extended to other private sector organisations. At the moment, there is no maximum number of vouchers or value of services which can be used by workers or provided by employers.

Prior to engaging a casual worker, individual employers must agree with voucher workers on the net wage that will be received for the provision of specific services. Since the voucher scheme constitutes only a system of remuneration and social insurance, it is subject to the same employment law as the APS system it replaced. This means that the employers, either private citizens or private sector organisations, must draw up an employment contract for the casual employees, indicate the start and finishing dates and register them with OAED or SEPE.

The wage level is regulated through the National Collective Agreement and cannot be below the minimum wage.

In cases where the workers do not receive the promised voucher or the agreed payment level, they can submit a complaint to SEPE. In this sense, the voucher system has not substantially reduced the administrative burden associated with the initiation of the employment relationship. The only major difference between the voucher and the previous scheme concerns the method of payment and the reduction in the cost of employment (because social contributions have fallen from 35% to 25%) without decreasing the protection level.

There are no specific platforms that match employers and workers. The employers follow the traditional recruitment methods to attract casual employees including:

- by word-of-mouth;
- the employer's social and professional networks;
- employment agencies;
- in-house organisational databases of casual workers;
- advertisements in the relevant media.

Employers can obtain service vouchers from certified banks or the post office. A single voucher's nominal value cannot be less than €5.

The employer buys the voucher from a certified bank, mainly through its online system, and the bank deposits the amount to the employee's bank account. There is also the option for the employer to buy the voucher from a certified bank or the post office and hand it over to the worker. The voucher issuing entities (banks and post offices) transfer the social insurance contributions to the social insurance institution. In this case, the voucher is issued in two copies. The first copy is kept by the employer as proof of payment, while the second is given to the

employee by the employer as a means of payment for the service provided and as proof of employment. Written on the service voucher are details of:

- the voucher number;
- the legal issuer of the voucher;
- the name of the employer;
- the employer's AMKA (social insurance registration number);
- the first name and surname of the employee;
- the employee's social insurance organisation;
- the amount of the voucher;
- the social insurance contributions;
- the issue and expiry dates of the voucher;

Vouchers that have not been used by an employer can be cancelled within three months of the issue date and the employer can receive the whole amount from the voucher issuing entity. A voucher expires four months after the issue date.

If a service voucher has not been cancelled by the employer or cashed in by the employee, the issuing entity has the right to pay the nominal value on the voucher to the relevant insurance institution. In this case, the employer can receive the whole amount of the voucher from the social insurance institution. In cases when an uncashed voucher is lost or destroyed, only the employer has the right to demand its re-issue from the relevant issuing entity.

However, the regulations do not yet indicate when exactly the employer has to buy the voucher and hand it over to the employee. This information is vital, especially for the private sector companies to which strict monitoring procedures can be applied if the companies do not draw up an employment contract with the casual employee and issue the voucher. The monitoring procedures and the relevant fines for the abuse of the system cannot be easily applied to private citizens due to rules which prohibit the authorities entering a person's home without their permission. The rules, however, are not very clear on whether there should be an employment contract between individual employers and casual workers, thus creating confusion and illustrating the need for further guidelines and regulation.

Further abuse of the system is prevented through the monitoring and regular inspections conducted by the relevant departments of the social insurance institution and SEPE.

At the time of the case study in March 2014, the rules did not indicate a maximum number of vouchers for the same employee–employer combination. Chains of service vouchers between the same employer and worker, rather than establishing a standard employment, especially in private organisations but also in domestic work, are not allowed. Violations of the rules result in hefty fines. However, further regulation would be necessary to avoid abuses if the service voucher scheme were to be expanded to include more business organisations. Although such regulation would not be difficult to design, its implementation would be difficult to supervise since the current monitoring departments are seriously understaffed and their work is not supported by appropriate electronic systems.

The service voucher system is monitored centrally by the Ministry of Labour and Social Security and the two insurance institutions involved in the scheme (IKA and OGA). At the end of each year, the insurance institution issues an annual aggregated statement that indicates the contributions paid by employers and employees; this is submitted with the tax return as a supporting document for tax deductions. Two-thirds of the social insurance contributions are deducted from the employer's taxable income, while one-third is deducted from the employee's taxable income.

So far there is no public money devoted to service vouchers apart from the financial support provided to the certified banks to develop the appropriate electronic systems for the distribution of the vouchers.

The dissemination of the policy follows the formal routes of document and circular disclosure by the Ministry of Labour and Social Security, and especially by the relevant insurance institutions. Some of the expert groups developing the legal framework of the voucher system, especially those at IKA, help disseminate the information and solve the problems that arise during the implementation of the scheme. However, informants from business organisations indicate that they need further and more timely information and advice regarding the implementation of the scheme especially when new employment categories are introduced in the voucher system which were formerly covered under different insurance policies.

Finally, there are regulations to which employers and employees must adhere. They have to follow the Labour Law that regulates the minimum wage as well as other elements that fall under the employment agreement including:

- training provision;
- working conditions;
- rest periods;
- maximum/minimum duration of providing work;
- notice periods;
- severance payments;
- holiday entitlements;
- bonuses.

Even though the voucher system follows the existing Labour Law, it is not clear how the general rules apply specifically to the voucher system, creating great confusion around these issues.

The exchange of experience at the EU level has been facilitated by the European Commission's mutual learning programme that helped organise an exchange of expertise between Greece and Latvia on service voucher systems in September 2013. Apart from that, there has been no formal exchange of experience with other countries.

Outcomes and effectiveness

Macro level

All workers now insured through the voucher system are in legal employment. However, in casual employment, the percentage of undeclared work is still around 30% (Eurobarometer, 2014). This high percentage indicates the need to further regulate the casual employment categories. Service vouchers were proposed as a means for employers to legally pay for services received and social insurance contributions. In this way, service vouchers had the potential to reduce tax evasion and increase tax consciousness of specific employment categories.

However, after the universal introduction of service vouchers on 1 January 2012, the social insurance revenues from domestic work fell from €4 million to €2 million per year. This could be because, in the previous insurance system which covered domestic workers (the APS system), social insurance contributions constituted 35.4% of the net wage, while under the service voucher system the rate dropped to 25%. However, and most importantly, the number of workers employed with the voucher system in September 2012 was around 27,000 for IKA and 8,800 for OGA, but before the introduction of the voucher system, the number of casual workers insured under the APS system and subsequently eligible for the voucher system was between 60,000 and

70,000. In effect, the number of employees insured by the voucher system dropped by half and the social insurance institutions lost a large number of workers previously insured.

The interviewed stakeholders said that this reduction was mainly because employers were not willing to follow the new voucher system procedures. The new system added the extra burden of having to go to a bank or post office to get the voucher. It was felt that, especially at the beginning, this deterred many employers who decided not to insure their employees and started paying them 'under the table'.

Another factor when the new system was brought in was the confusion regarding the policy and its implementation, and so many employers just stopped insuring their domestic workers.

By November 2013, the number of workers in the voucher system had increased to 70,000, indicating that the number of the insured workers had reached the level in place before the scheme's introduction scheme – despite the addition of new employment categories to it.

At the time of writing (March 2014) IKA was not in a position to provide more detailed data regarding the demographic details of the characteristics of the service voucher employers/workers. In this sense, the main objectives of the voucher system (that is, to legalise undeclared work and increase public revenue) have not yet been realised for all the employment categories subject to the voucher system.

Apart from this negative effect, the voucher system provides standard working conditions and social protection to casual employees, just like any other employee in private employment, and in this sense it improves their quality of life and the quality of their work. The voucher system might also have a labour integration effect as casual work through the voucher system might be considered as a stepping stone for entering the labour market. In this sense, it has the potential to reduce unemployment levels. In addition, social insurance revenues and the corresponding circulation of money in the economy could also be improved as the voucher scheme has the potential to reduce the abuse of the previous system. Finally, the registration of the casual workers to the relevant organisations by their employers provides a means for monitoring the voucher scheme.

Micro level

One of the main effects for private citizens who wish to hire domestic employees is the opportunity to legalise previously undeclared work and develop a tax-paying consciousness. However, the administrative burden related to the registration of voucher workers to the relevant organisations at the start of their employment has not been reduced, either for the individual employers or for the business organisations.

The interviewees at the Ministry of Labour and Social Security argued that the administrative procedures are necessary as they serve as a means to protect casual workers from the abuse of the system, especially by private companies. Another major effect for employers has been the reduction of labour costs resulting from lower social insurance contributions.

For the majority of the affected workers, the main advantage has been their entitlement to social security benefits. As already mentioned, 25% of the amount written on the voucher goes to social insurance contributions. The allocation of the social insurance contributions to pension and sickness benefits in kind is very important since it indicates that the employees under the service voucher system enjoy a number of social benefits just like those in full-time or part-time employment. In addition, the voucher scheme has the potential to provide increased job and income security for participating individuals, especially domestic workers who were previously left undeclared and thus in the event of non-payments or accidents at work were probably unlikely to report their employers and claim corresponding benefits. Since the voucher scheme is subject to the current Labour Law, it provides access to bonuses, overtime and leave benefits, pension and unemployment benefits.

Finally, as a form of flexible employment, service vouchers provide both employers and employees with flexibility. It provides an improved work–life balance for employees since they can choose to provide their services when they are available. Workers need to adjust to different working conditions and the work organisation of different employers, as in any other form of flexible employment. At the same time, they are in the labour market and have the opportunity to develop their professional, networking and personal skills and increase their employability as well as their opportunities to move into standard employment.

Strengths and weaknesses of the scheme

The main strength of the system is its potential to legalise undeclared casual work and increase public revenues.

It should be noted, however, that before the introduction of the voucher system, there was already a system in place for flexible employment that provided social protection to casual employees. So, in practice, in terms of employment status, social protection, employment benefits and social security coverage, nothing has actually changed for employees from the previous system.

The only real changes are around the reduction of labour costs for employers (since they pay reduced social insurance contributions) – and the need to buy vouchers. In this sense, employers might prefer the voucher system since it reduces their social insurance contributions substantially and the workers would tend to prefer it in order to accommodate their employer’s demands since they receive the same insurance benefits. However, such a change might have a strong negative effect on public revenues. Reduced revenue is considered to be a significant weakness for the state (because of the lower insurance contributions). However, this is seen as a short-term problem (the system is designed to be scalable), as with an increasing number of employers resorting to this system, the revenues will also increase.

The administrative procedures that accompany the voucher system in terms of registering the workers to the relevant authorities before the initiation of their employment could be considered another strength of the system. They serve to protect the workers from any possible abuse from their employers and provide a means for monitoring the whole process of employing casual employees. At the same time, however, the administrative procedures might be considered as a burden especially by individual employers who might choose to pay their employees ‘under the table’. Finally, the system applies to many different types of workers and is continuously expanding, having in this sense enormous potential for legalising many types of different work.

As a flexible form of employment, it has numerous benefits also for the employees. The most important strength of the system is that it provides casual employees with full social security coverage, bonuses and health and safety benefits as under Labour Law, preventing any discrimination against casual workers. Also, unlike permanent contracts, the vouchers have the advantage of providing a better work–life balance as they give employees the freedom to work when they are available and according to their personal circumstances. Finally, the voucher system, as a form of casual and flexible employment, contributes to the workers’ employability and development by keeping them in the labour market and enabling them to develop skills that might be helpful in their transition into standard employment if they wish to do so.

At the same time, however, there are several major weaknesses that need to be addressed for the voucher system to achieve its objectives. More specifically, the system does not explicitly state that the employer must:

- register the casual worker to the competent authorities;
- announce the end of the employment relationship;
- state explicitly the period of the specific casual employment.

In this sense, service voucher employment cannot be effectively monitored. The competent authorities of the Ministry of Labour and Social Security provide guidance to employers around this issue, stressing that the voucher scheme is supported by the current Labour Law and the employers have to follow all the guidelines associated with the previous system. Also, the absence of a maximum number of vouchers that an employer could give to a specific employee may have the danger of transferring employees from a permanent into a voucher employment status.

The implicit existence of a maximum number of days that an individual could be insured per month constitutes another drawback of the system as far as casual workers are concerned as they may not always receive the insurance benefits that correspond fully to the wage received for the provided services. Additionally, it reduces the incentive of casual employees to demand that their employers pay their social insurance contributions.

A final weakness is that the system's design precludes some type of work that is almost identical to activities permitted under the system. For example, it is unclear why Circular 68 of 2013 restricted the promotion of consuming products at specific locations, such as supermarkets, food stores and department stores, and did not include other locations where such distribution could take place.

Transferability

The voucher system in Greece constitutes a system of social insurance. As such, it could be introduced to many countries where it would, of course, have to be adapted to their specific insurance conditions and employment law. If other countries chose to use it as a system of social insurance they would, however, need to provide a strong regulatory framework to avoid possible abuse of the system and to protect the employment rights of the voucher workers.

Commentary

The service voucher system in Greece is still in its infancy. The concept is not yet fully developed, and familiarity with it is limited. The most important problem for the system's implementation is the absence of tax-paying consciousness that characterises many Greek employers as well as individual employees.

The implementation of the regulation for the use of service vouchers in the domestic sector is not effective since, in many instances, individual employers do not use the 'obligatory' system of service vouchers for the remuneration and insurance of domestic workers and leave them undeclared. Moreover, the implicit maximum number of days an individual can be insured under the system reduces the incentive of casual employees to demand that their employers pay their social insurance contributions.

Furthermore, there is a great need for a thorough investigation of the effects of the voucher system in achieving its objectives, in particular the effect on undeclared work. It will be important to know how many people are employed through the service voucher system and whether there has been an increase in the number of casual workers insured through it.

Stakeholders from the General Secretariat of Social Security highlighted that additional financial support is necessary for the development of electronic databases that will:

- restrict the administrative and bureaucratic burden for both employees and employers;
- enhance employees' knowledge of their social insurance rights under the service voucher scheme.

External support is also needed for the implementation of the scheme and its monitoring.

Careful evaluation should be made of whether the voucher system could be used for other areas and types of employment or target specific types of disadvantaged population in order to provide access to full-time and regular employment.

Finally, the interviewee from the advertising and promotion organisation under study argued that the committees which design the system and decide on the employment categories to be included in the scheme need to be supported by professionals who operate in the prospective categories and have in-depth knowledge of the peculiarities of their operation.

Information sources

Websites

Agricultural Insurance Agency (OGA): <http://www.oga.gr>

Hellenic Labour Inspectorate (SEPE): <http://www.ypakp.gr>

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