PUBLIC SECTOR AND THE MIDDLE CLASSES IN BAD TIMES: FACTOR OF EROSION OR RESILIENCE DURING THE GREEK GREAT DEPRESSION?*

by Maria Karamessini, Stefanos Giakoumatos

By employing a highly educated workforce and providing, on average, better employment and working conditions than the private sector, the public sector has been a traditional nurturer of the middle classes in Greece. This role was neutralised by the harsh austerity policies that are being implemented since 2010 and are responsible for the Greek Great Depression. The public sector as an employer is under attack and well-educated young people – especially women – are prevented from entering and joining the middle classes. On the other hand, the public sector has contributed to the resilience of the middle classes under austerity. In spite of the erosion in public-sector wage and pension premiums and the narrowing of public-private differentials, better working conditions for the employees and better pensions for those retiring have been preserved.

Il settore pubblico greco, il quale occupa una forza lavoro altamente istruita e assicura, in media, migliori condizioni di lavoro rispetto al settore privato, ha tradizionalmente sostenuto la formazione della classe media. Questo ruolo è stato neutralizzato dalle severe politiche di austerità adottate a partire dal 2010, responsabili della "Grande Depressione greca". Il ruolo del settore pubblico come creatore di occupazione è sotto attacco e le persone con elevati livelli di istruzione – in particolar modo le donne – vedono preclusa la possibilità di entrare a far parte delle classi medie. D'altro canto, il settore pubblico ha contribuito alla resilienza delle classi medie durante l'attuazione delle politiche di austerità. Infatti, nonostante l'erosione del "premio" salariale e pensionistico di cui gode il pubblico impiego e nonostante la riduzione dei differenziali salariali tra settore pubblico e settore privato, il primo continua ad offrire migliori condizioni lavorative per gli occupati e migliori pensioni per i lavoratori in uscita.

1. Introduction

The definition of the middle class(es) constitutes a big challenge in the economics and sociological literature. The former identifies class through the position of individuals in the income and wealth distributions while the latter through their position in the social relations of production and division of labour, on which control over resources, power and social status depend (Atkinson, Brandolini 2011; Goldthorpe, 2012). Whatever the definition, both historically and in recent years, the public sector has been a key determinant of the

Maria Karamessini, Panteion University of Social and Political Sciences.
Stefanos Giakoumatos, Technological Educational Institute of Peloponnese.
* This article builds and expands on arguments presented in Karamessini and Giakoumatos (2016).

size and expansion of the middle classes in Europe and elsewhere. Indeed, the proportion of employees working in the public sector is strongly correlated with the size of the core and upper middle class (Vaughan-Whitehead, 2016). This is because the relative size and expansion of the middle classes has depended on the availability of quality jobs in the economy, the rise in women's participation in paid employment and the share of dual-earner couples and the development of the welfare state. The latter has enhanced the role of the public sector as an employer, which has increased the availability of quality jobs in the economy and employment opportunities for women (Gornick, Jacobs, 1998). However, differences in the size of public-sector employment do not only reflect the development of the welfare state but also the importance attached to social services rather than transfers (Rubery, 2013).

The public sector has been a traditional nurturer of the middle classes in Greece, a good employer for women and the main employer of the highly educated workforce until the early 1990s, while the public-private sector divide has remained until recently the basic cleavage in employment and working conditions. All these roles seem to have been gravely challenged by the severe economic crisis that the country has been facing for eight years now, during which public-private wage differentials have shrunk and public-sector employment has been drastically reduced through stringent hiring rules. Since 2008 Greece has been experiencing a prolonged recession, equivalent to a Great Depression, which has been fuelled by three harsh austerity programmes that were initiated in 2010 and imposed by the troika (European Commission, EC, European Central Bank, ECB, and the International Monetary Fund, IMF, and lately the European Stability Mechanism, ESM) in exchange for the loans granted to the country by its Eurozone partners and the IMF after the eruption of the sovereign debt crisis and in the course of the programmes. From 2008 to 2015, GDP, employment and disposable income contracted by 26%, 22% and 34% respectively, unemployment reached 27.5% in 2013, before falling to 25% in 2015, while 36% of the population is today income poor and/or materially deprived.

In this short paper we examine the determinants of the expansion of the middle classes in Greece during the growth period (1993-2008), and we demonstrate how the changes that have taken place in the public sector during the Great Depression (2008-2013) have contributed to the erosion or resilience of these classes. The paper concludes that the factors of erosion have mainly impacted upon the well-educated young people – especially women – who have no more access to public-sector jobs while the factors of resilience have affected those currently working in or retiring from the public sector who have retained better working conditions and higher relative pensions. However, convergence between public and private-sector employment and working conditions stemming from systematic erosion in public-sector wage and pension premiums is an evolving trend that has not erased other differences.

The paper is divided into three sections, apart from the introduction. The second section takes stock of the expansion and decline of the middle classes in Greece over the 1993-2012 period and comments on the trends in the world of work and the welfare state that have determined the outcome. The third section discusses the role of the public sector in the Greek model of socio-economic development, the structuring of the labour market and the production of the middle classes before the advent of the global financial crisis in 2007-2008. It then turns to the impact of the Greek Great Depression on public-sector employment and wages and on the middle classes. The final section of the paper summarises the findings.

2. Expansion and decline of the middle classes: trends and determinants

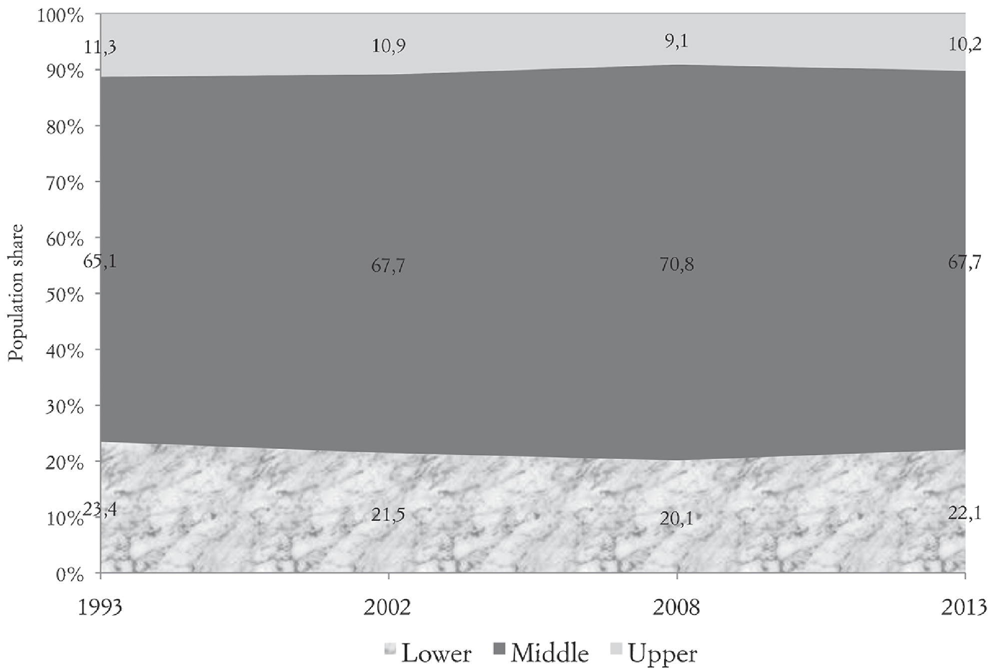
The size, composition and growth of the middle classes in Greece has historically depended on the opportunities provided by the State to the lower classes for upward social mobility through education, employment in the public sector and access to land and real estate property (Tsoukalas, 1980, 1987; Elefantis, 1991), a favourable context for petty entrepreneurship outside agriculture (Karabelias, 1982; Karamessini, 1992; Lyberaki, Mouriki, 1996; Moschonas, 1986) and, since the 1980s, through democratic industrial relations and employment opportunities for women (Karamessini, 2012). Although social expenditure grew rapidly over the past 40 years, and almost reached the EU-15 average before the current crisis, the Greek welfare state has remained insufficiently redistributive (Papatheodorou, Petmesidou, 2004), reproducing rather than reducing income inequalities. This explains to a great extent why the latter have remained among the highest in the EU over the past decades and why, in spite of the significant expansion of the middle classes during 1993-2008, their relative size was smaller than the EU average at the onset of the 2007-2008 global financial crisis (Bigot *et al.*, 2011).

Recent literature on the middle classes has often discussed their shrinking or squeezing as part of an increased polarisation of the income distribution in the countries that had witnessed rising inequalities well before the 2008 global financial crisis. However, it has failed to establish a universal trend, especially in Europe, since in many countries the middle classes had remained constant or even grown through the 1990s and 2000s (Bigot *et al.*, 2011). This is also the case in Greece during the 15-year period that preceded the recent global financial crisis that hit the country's economy in the last quarter of 2008. The trends that we present below on the size of the middle classes in Greece are based on the distribution of income and the definition of the middle classes as middle-income categories. The income approach is the dominant variant of the economics approach to the middle classes (see above).

Defining the middle classes as the share of the population having an equivalised disposable income between 60% and 200% of the median equivalised disposable income and applying this definition on EU-SILC microdata, we have found that the middle classes in Greece expanded through the 15-year growth period that goes from the end of the recession of the early 1990s to the global financial crisis of the 2000s; their share of the population passed from 65.1% in 1993 to 70.8% in 2008. In contrast, the middle classes shrank during the Greek Great Depression mainly due to downward mobility, their share dropping from 70.8% of the population in 2008 to 67.7% in 2013 (FIG. 1).

However, the definition of the middle classes in relative terms, i.e. by reference to a changing median income, fails to capture their absolute impoverishment and downward mobility between 2008 and 2013 when the median income fell by 33%. To do so, we have kept the median income of 2008 as the reference point and measured what part of the population in 2013 had a disposable equivalised income that would be considered as middle-class income according to the middle-class income thresholds of 2008. By this exercise, we have shown that only 54.2% of the population in 2013 could be considered as middle class by the pre-crisis income standards, while 29% of the population that belonged to the middle or upper classes in 2008 enjoyed five years later an income below the 2008 poverty line (FIG. 2). Since the majority of the 'new poor' came from the middle classes, the hypothesis on the polarisation of the class structure has been confirmed. Conversely, if we accept the relative approach to the middle classes, defined with reference to a substantially lower median income, their share of the population fell by 3.1 percentage points (p.p.) between 2008 and 2013 (FIG. 1). It follows that what could be described, according to the first approach, as decimation of the middle classes during the Greek Great Depression, could be seen as resilience according to the second. Whatever approach one may endorse, the middle classes in Greece, alongside the rest of the society, have been experiencing a terrible shock in recent years and are facing great uncertainty about the future, their own and that of their offspring.

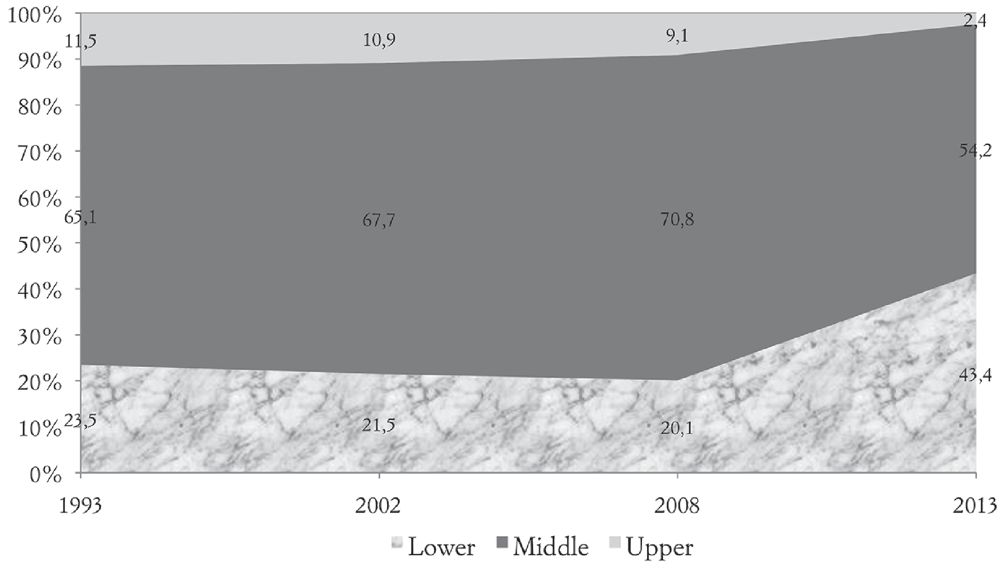
Figure 1. Population shares (percentage) by income class



Source: own elaboration of ECHP (1994) and EU-SILC (2003, 2009 and 2014) microdata.

Recent literature on the middle classes has established that structural changes and processes in the labour market are crucial for changes in income inequality and middle-class incomes. In Karamessini and Giakoumatos (2016) we have identified the following world-of-work determinants of the expansion of the middle classes in the years 1993-2008. These were the spectacular growth in the participation of women in paid work, which led to: a great increase in the share of dual-earner in all middle-class households; the rise in the share of highly educated people in all employed; the overwhelming contribution of medium-paid occupations in net job creation; the narrowing of wage inequalities after 2004; the ever-increasing share of professionals and technicians in the occupational structure; and, last but not least, the widening of public-private wage differentials. In the same article, we have also demonstrated that the major change in the world of work that has determined the retreat of the middle classes during the first four years of the current economic crisis (2008-2012) is the collapse of employment and the explosion of unemployment. These developments have impinged relatively more upon the lower class, generating a greater rise in the share of jobless households than among the middle classes, but have also led to a greater decrease in the share of dual/multiple earner households among the middle classes than among the upper classes.

Figure 2: Population shares (percentage) by income class* alternative calculation of the impact of the crisis 2008-2013



* Figures for 2012 are calculated on the basis of 2008 income thresholds.
Source: own elaboration of ECHP (1994) and EU-SILC (2009 and 2014) microdata.

The size of the middle classes does not only depend on labour market characteristics and changes but also on the redistributive function of the welfare state (Pressman, 2007, 2009; Dallinger, 2013). In Greece, both before and after the crisis it is the lower class that has benefitted more than the other classes from the income redistribution processes and mechanisms: in 2008, 47.7% of its disposable income came from net social transfers against 37.6% and 28% for the middle and upper classes. The role of the welfare state as social shock absorber has been reinforced during the crisis, but increased protection has benefitted only the middle and upper classes and this occurred exclusively due to the role of pensions. Given that high and medium pensions were reduced relatively more under the austerity plans imposed by the troika since 2010, the phenomenon can be only attributed to higher exit rates to retirement among these classes.

3. The shock of fiscal consolidation – challenging the role of the public sector as "producer" of the middle classes

Since the creation of the modern Greek State in 1830, the public sector as employer has been a major producer of white-collar elites and the middle class (Tsoukalas, 1980, 1987). It has invariably absorbed a very important share of the highly educated labour force and also represented a good employer for women, offering employment stability, promotion opportunities, good working conditions and relatively high pay, especially after World War II when the principle of equal treatment of men and women in the public sector was established in the Greek Constitution of 1952 (Karamessini, 2012). The public sector is important for the expansion and reproduction of the middle classes in Greece, since the basic cleavage in employment and working conditions during the post-war growth period (1960-1974) was between the private and public sector (Karamessini, Kaminioti, 1999). Nationalisations, the expansion of the welfare state and direct job creation intended to absorb rising unemployment boosted public-sector employment in the second half of the 1970s and the 1980s.

Table 1. Distribution of public-sector employees by class

	Lower	Middle	*Lower-middle*	*Middle-middle*	*Upper-middle*	Upper	
1993	3.9%	74.9%	*5.4%*	*23.1%*	*46.4%*	21.2%	100%
2008	4.0%	78.2%	*4.8%*	*21.6%*	*51.8%*	17.8%	100%
2012	4.1%	79.3%	*5.5%*	*23.3%*	*50.5%*	16.5%	100%

Note: Lower-middle, middle-middle and upper-middle classes defined as the shares of the population enjoying net equivalised income between 60-80%, 80-120% and 120-200% of median income, respectively.
Source: own elaboration of ECHP (1994) and EU-SILC (2009 and 2013) microdata.

Table 2. Public and private-sector employees as a percentage of labour income earners in lower, middle and upper-income class households

	Lower class	Middle class	Upper class
		1993	
Public sector	4.4%	24.1%	30.9%
Private sector	18.0%	35.7%	31.8%
		2008	
Public sector	7.2%	25.1%	31.9%
Private sector	40.5%	48.8%	37.4%
		2012	
Public sector	7.1%	24.9%	27.9%
Private sector	46.6%	43.8%	41.4%

Note: percentages do not add to 100 because labour income earners also include self-employed workers (in addition to public and private-sector employees).
Source: own elaboration of ECHP (1994) and EU-SILC (2009 and 2013) microdata.

In 1993, after the recession of the early 1990s, the sector's share reached 39.9% of all employees – the peak of the upward trend – and 22.5% of total employment. In that same year, 75% of all public-sector employees belonged to the middle class, as defined in this article, and mainly to the upper-middle and middle-middle classes (TAB. 1). After 1993, the public sector's share of all employees followed a 15-year decline due to a relatively greater net growth of wage employment in the private sector than in the public sector between 1993 and 2008: 58.9% against 28.2% (TAB. 5). In 2008, 78% of public-sector employees belonged to the middle class and, noticeably, 52% to the upper-middle class (TAB. 1).

Although the majority of public-sector employees belong to the middle class, public-sector employees represent a larger share of labour income earners of the upper class than the middle class as can be seen in TAB. 2.

As already mentioned in the introduction, after 15 years of high growth (1993-2007), the Greek economy plunged into a prolonged and ongoing recession equivalent to a Great Depression. Since 2010 this is State-led, through externally imposed harsh austerity policies under three Economic Adjustment Programmes (EAPs) agreed in 2010, 2012 and 2015 in exchange for external loans provided to the country to prevent its failure on the service of sovereign debt. The implementation of the EAPs has been supervised by a troika of international institutions (EC, ECB and IMF) to which ESM was added lately.

The public sector has been one of the main targets of fiscal consolidation. The first EAP aimed explicitly to bring the public-sector wage bill down from 13% of GDP in 2009 to 8.1% of GDP in 2015 and to reduce the 11% wage premium of the public sector over the private sector, after controlling for employee and job characteristics. To drastically reduce the public-sector wage bill, nominal salaries in the civil service, public utilities, agencies and undertakings were severely cut while Christmas, Easter and holiday bonuses abolished. Additionally, a new single pay scale in public administration took effect on 1 November 2011, bringing about a new reduction in civil servants' nominal wages by 17% on average (IMF estimates cited by Tzannatos, Monogios, 2012). Finally, a reform of the special wage regimes (judges, diplomats, doctors, academics and so on), which account for about one third of the public-sector wage bill, took effect on 1 August 2012, resulting in 20-30% salary reductions (Karamessini, 2015). Since private-sector wages were also reduced during the austerity phase of the recession, it is important to track changes in public-private wage differentials and compare them with the pre-crisis period.

There is a rich literature on public-private sector wage differentials in Greece. Kioulafas *et al.* (1991) have found a 20-25% pay gap in favour of the public sector between 1975 and 1985 and proved that the public sector paid education and experience more than the private sector; while Kanellopoulos (1997) has reported a difference in average wages of 19% for men and 42% for women in 1988 but attributed the observed pay advantage of male public-sector employees entirely to their higher qualifications, and part of the pay advantage of female public-sector employees to the same reason. Similarly, in a more recent article, Papapetrou (2006) established that 59.6% of wage differentials between the two sectors in 1999 were accounted for by differences in education, experience and occupation. In the latest study available, Christopoulou and Monastiriotis (2014) have estimated the net public-sector premium (after controlling for observable characteristics) in 2005 at 11.3% for monthly and 15.2% for hourly wages, and they found that it amounts to about 35-40% of the corresponding public-private wage differential observed in the raw data.

Although important, this literature does not provide any trend in public-private sector wage differentials over the whole period examined in this chapter, on the basis of the same dataset. We have thus used ECHP and EU-SILC microdata on net annual earnings to identify such a trend. Our results show that the net annual earnings of public-sector employees increased during the period of economic growth and decreased during the first four years of the economic crisis much more than those of their private-sector counterparts (TAB. 3). This means that the public-private sector wage differentials increased between 1993 and 2008 and shrank between 2008 and 2012.

Table 3. Variation of net annual earnings of employees (base to end year changes – percentage)

	Private sector	Public sector
1993-2008	91.0	151.4
2008-2012	–10.5	–21.1

Source: authors' elaboration of ECHP (1994) and EU-SILC (2009 and 2013) microdata.

The trend changed after 2012, a year when the second EAP was adopted and labour costs in the private sector became the main target of the internal devaluation goal of the programme. The huge reduction in the minimum wage and the further dismantlement of the protective features of the wage-setting system, such as the extension to non-unionised employees and non-signatory firms of collective agreements or the reduction in the period of their after-effects, have combined with explosive unemployment to produce a greater decline in wages in the private than in the public sector. As a result, the reduction in average gross nominal earnings was roughly equivalent in the public and private sectors throughout the whole austerity period; the greatest wage reductions took place in public utilities and companies (TAB. 4).

Table 4. Average gross nominal earnings (base to end year)

	2009-2014
Public administration	–26.0
Public utilities and companies	–35.4
Private sector: banking	–30.0
Private sector: non-banking	–27.4

Source: Bank of Greece (2015, Table IV.8, p. 94).

As regards the impact of the economic crisis on employment in the public sector, this has differed according to the different phases of the crisis. In the first two years, the public sector has not only protected jobs but also played an anticyclical role by employing people on temporary contracts. It is only after the sovereign debt crisis and the adoption in 2010 of the fiscal consolidation and EAP, supervised by the troika, that freezes and strict hiring rules leading to non-full replacement of exits were imposed on the public sector. In the same programme, targets were set for the reduction in the sector's total number of employees, and commitments were made by the Greek government for firings among certain categories of personnel. The following series of measures were implemented to achieve retrenchment of public-sector employment:

– suspension of the recruitment of permanent employees in the public sector in 2010, except in education, healthcare and security; application of the rule 'one hire for 10 exits' in 2011 and that of 'one hire for five exits' during 2012-2016;
– reduction of employees on short-term contracts by 30% in 2010, 50% in 2011 and 10% annually during 2012-2016;
– mergers of municipalities and reduction of their number by two thirds and of local government personnel by 50%;
– increase in standard working time from 37.5 to 40 hours a week without any rise in pay and a drastic reduction in overtime working;
– labour reserve and mobility schemes through which staff members are either reallocated to new posts or dismissed after a certain period on the scheme, during which they receive 75% of their wages;
– closure, mergers and downsizing of public and private-law legal entities (for example, railways, public broadcasting company), which entailed dismissals.

Over the whole period 2008-2015, wage employment retreated more in the public than in the private sector, namely 25% against 23% (TAB. 5). However, we can distinguish two phases. During the first (2008-2013), the private sector shed labour more than the public sector while during the second (2014-2015) there was a net rise in the number of private-sector employees while the number of public-sector employees continued to fall.

Table 5. Variation in wage employment (%) (base to end year)

Employees	1993-2008	2008-2015
Public sector	28.2	–24.6
Private sector	58.9	–22.8

Source: own elaboration of Labour Force Survey data (ELSTAT).

The important decline in wage employment in both sectors was the joint outcome of a decrease in hires and an increase in firings and quits. Regarding the public sector, the strict hiring rules since 2010 (currently one hire for five exits) have created great labour shortages in many crucial services of the State. Besides, these have not only stalled the access of women, especially the highly educated, to good jobs (Karamessini, 2014) but also the inter-generational reproduction of the middle classes and the upward social mobility of the lower classes through employment in the sector.

There are differences in the direction of flows out of employment between sectors. Those out of the private sector are exits to unemployment and give access to a flat rate unemployment benefit with very low income replacement rates, while those out of the public sector are exits to retirement and give access to medium to high pensions through which the middle and part of the upper classes have been reproduced after retirement.

4. Conclusion

Harsh austerity policies that are being implemented since 2010 and are responsible for the Greek Great Depression have put the public sector as an employer under attack and neutralised its traditional role as a "producer" of the middle classes and good employer for women. During the growth period (1993-2008), the public sector expanded less than the private sector but public-sector employees saw their wages increase more than their private-sector counterparts. During the crisis period, employment in the public sector contracted more than private-sector employment while wage reductions in the public sector were roughly equivalent to those that took place in the private sector on average.

This means that, although the role of the public sector as traditional producer of the middle classes and good employer for women has been neutralised, the sector has continued to offer better employment and working conditions and middle-class status to employees. Last but not least, the contraction of private-sector employment has mainly fuelled unemployment while the reduction in permanent public-sector employment corresponds to exits to retirement, which have given access to decent or even high pensions. It follows that, during the crisis, the public sector has become a factor of erosion of the middle classes, which affects the well-educated young people – especially women – who are prevented from entering a sector with good conditions and prospects, but also a factor of resilience of the middle classes, given that better working conditions for the employees and better pensions for those retiring are preserved in the sector, by comparison to those enjoyed by private-sector employees and retirees. However, there is a progressing trend of erosion in public-sector wage and pension premiums that narrows public-private differentials and divides.

References

ATKINSON B. A., BRANDOLINI A. (2011), *On the identification of the "middle class"*, ECINEQ WP, 2011-217, in http://www.ecineq.org/milano/WP/ECINEQ2011-217.pdf.

BANK OF GREECE (2015), *Monetary policy 2014-2015*, Athens, in http://www.bankofgreece.gr/Pages/el/Publications/MonPolicy.aspx?Filter_By=11.

BIGOT R., CROUTTE P., MLLERJ., OSIER G. (2011), *Les classes moyennes en Europe*, "Cahiers de Recherche du Crédoc", 282, in http://www.credoc.fr/publications/abstract.php?ref=C282.

CHRISTOPOULOU R., MONASTIRIOTIS V. (2014), *The Greek public sector wage premium before the crisis: Size, selection and relative valuation of characteristics*, "British Journal of Industrial Relations", 52, 3, pp. 579-602.

DALLINGER U. (2013), *The endangered middle class? A comparative analysis of the role played by income redistribution*, "Journal of European Social Policy", 23, 1, pp. 83-101.

ELEFANTIS A. (1991), *In the constellation of populism*, Politis Publishing (in Greek), Athens.

GOLDTHORPE J. H. (2012), *Back to class and status: Or why a sociological view of social inequality should be reasserted*, "Reis", 137, pp. 201-16.

GORNICK J. C, JACOBS J. A. (1998), *Gender, the welfare state, and public employment: A comparative study of seven industrialized countries*, "American Sociological Review", 63, 5, pp. 688-710.

KANELLOPOULOS C. N. (1997), *Public-private wage differentials in Greece*, "Applied Economics", 29, pp. 1023-32.

KARABELIAS G. (1982), *The small and medium democracy*, Kommouna (in Greek), Athens.

KARAMESSINI M. (1992), *Flexibilité du travail et restructuration du capital en Grèce dans les années 1990*, Thèse de doctorat, Université de Paris VII.

ID. (2012), *Female activity and employment trends and patterns in Greece. Women's difficult road to economic independence*, in A. Buğra, Y. Özkan (eds.), *Trajectories of female employment in the Mediterranean*, Palgrave Macmillan, Houndmills-Basingstoke, pp. 65-90.

ID. (2014), *Structural crisis and adjustment in Greece: Social regression and the challenge to gender equality*, in M. Karamessini, J. Rubery (eds.), *Women and austerity. The economic crisis and the future for gender equality*, Routledge, London-New York, pp. 165-85.

ID. (2015), *The Greek social model: Towards a deregulated labour market and residual social protection*, in D. Vaughan-Whitehead (ed.), *The European social model in crisis. Is Europe losing its soul?*, Edward Elgar Publishing-International Labour Office, Cheltenham-Geneva.

KARAMESSINI M., GIAKOUMATOS S. (2016), *The Greek middle classes facing an uncertain future*, in D. Vaughan-Whitehead (ed.), *Long-term trends in the world of work: What effects on inequalities and middle-income groups?*, vol. of the conference organised by the International Labour Office in cooperation with the European Commission, Brussels, 29 February-1st March 2016, pp. 165-88.

KARAMESSINI M., KAMINIOTI O. (1999), *Labour market segmentation in Greece: Historical perspective and recent trends*, Discussion Papers, n. 69, KEPE – Centre for Planning and Economic Research (in Greek), Athens.

KIOULAFAS K., DONATOS G., MICHAILIDIS G. (1991), *Public and private sector wage differentials in Greece*, "International Journal of Manpower", 12, 3, pp. 9-14.

LYBERAKI A., MOURIKI A. (1996), *The silent revolution: New forms of production and work organisation*, Gutenberg (in Greek), Athens.

MOSCHONAS A. (1986), *The traditional strata of the petty bourgeoisie: The Greek case*, IMM – Foundation for Mediterranean Studies (in Greek), Athens.

PAPAPETROU E. (2006), *The public-private sector pay differential in Greece*, "Public Finance Review", 34, 4, pp. 450-73.

PAPATHEODOROU C., PETMESIDOU M. (2004), *Inequality, poverty and redistribution through social transfers: Greece in a comparative perspective*, in M. Petmesidou, C. Papatheodorou (eds.), *Poverty and social exclusion*, Exantas, Athens (in Greek), pp. 307-66.

PRESSMAN S. (2007), *The decline of the middle class: An international perspective*, "Journal of Economic Issues", 41, pp. 181-200.

ID. (2009), *Public policies and the middle class throughout the world in the mid 2000s*, Luxembourg Income Study (LIS) Working Paper, 517.A

RUBERY J. (2013), *Public sector adjustment and the threat to gender equality*, in D. Vaughan-Whitehead (ed.), *Public sector shock: The impact of policy retrenchment in Europe*, Edward Elgar-International Labour Office, Cheltenham-Geneva, pp. 43-83.

TSOUKALAS K. (1980), *Social development and the state. The formation of public space in Greece*, Themelio (in Greek), Athens.

ID. (1987), *State, society and work in post-war Greece*, Themelio (in Greek), Athens.

TZANNATOS Z., MONOGIOS Y. (2012), *Public sector adjustment amidst structural adjustment in Greece: Subordinate, spasmodic and sporadic*, in D. Vaughan-Whitehead (ed.), *The public sector shock. The impact of policy retrenchment in Europe*, International Labour Office, Geneva, pp. 259-99.

VAUGHAN-WHITEHEAD D. (2016), *Introduction: Is the world of work behind middle class reshuffling?*, in Id. (ed.), *Long-term trends in the world of work: What effects on inequalities and middle-income groups?*, vol. of the conference organised by the International Labour Office in cooperation with the European Commission, Brussels, 29 February-1st March 2016, pp. 1-38.