

Note 1. Report on General Government Employment in 2011

This note is about the **MAREG tables**.

The MAREG tables were developed in the course of the past year-and-a-half by a team led by Mrs. Bergele in the Ministry of Administrative Reform and E-Government (MAREG). These tables estimate the stock of *ordinary employees in general government* at the end of each month; and the intervening gross flows

Data gaps. There are some unidentified outflows and unidentified hirings, as well as some discrepancies between transfers within the general government. MAREG is researching the data, and some modifications may be made retroactively. The data are therefore preliminary, but their quality has already improved significantly over time.

Summary of results for 2011. The stock of general government ordinary employees is estimated to have dropped by some 24 thousand persons (3.5 percent), from 692 thousand persons at the end of 2010 to 668 thousand persons at the end of 2011. The central government lost 4.6 percent of staff whereas other parts of general government combined lost only 1.6 percent of staff. The latter is in part due to an increase of over 4,500 staff, or 5 percent, in local governments—a remarkable result given that Kallikratis was designed to merge entities with intended cumulative savings of Euro 1.5 billion over three years, including in manpower needs. Other staff increases were recorded in the Ministry of Culture, and in hospitals. Double digit percentage reductions in staff were recorded in the administrative staff of the Ministry of Health & Solidarity; SOEs of Chapter A; the Secretariat of Prefectures; the Ministry of Agriculture; the Ministry of Environment; and the Ministry of General Information.

1:5 rule. The 1:5 rule was not obeyed in 2011. By how much is a matter of interpretation. The 1:5 rule was valid from January-June. Then the rule was changed to 1:10. In 2010, the number of exits was 53,336 persons. If we apply half a year at 1:5 and half a year at 1:10, then the number of hirings that can take place in 2011 is **8,000 staff**. In 2011, the number of hirings under the rule amounted to **16,711 staff**.

Greece: Hiring Rule in 2011

(persons)	
Exits in 2010	53,336
Allowed hiring in 2011	
1/2 * (1:5 rule + 1:10 rule)	8,000
Hiring in 2011	16,711
Identified	9,598
Unidentified	3,023
Transfers in	4,090
Adjustments	
From end-Dec 2010	3,098
ATE/SSF transfers	445
Kallikrates transfers	283
Excess hiring	4,885

Source: Table 1.

Adjustments. Of this amount, MAREG reports that 3,098 staff were hired at the end of 2010 (their appointment was published in the Official Gazette in the last few days of December 2010), but their numbers were not recorded in the tables until 2011 (they did not assume office until 2011). MAREG would therefore like to count these hirings in 2010 and not in 2011. Further, some 445 persons were transferred into the social security funds from ATE Bank. Even though ATE Bank is not part of the general government, MAREG reports that an exception was made for these transfers under the Law. Finally, MAREG reports that 283 staff transferred into local governments under Kallikrates were also exempt under the Law. Allowing for these adjustments results in net hiring of 12,885 staff—this is still **4,885 staff above the hiring limit**. Lastly, MAREG reports that the number of excess hirings remained below 1000 staff. This occurred because the data reported for 2010 and early 2011 have to be revised, but the Troika team has not yet received these revised data so we are unable to verify this result.

Assessment: The hiring rule was not observed including because the change from 1:5 to 1:10 in mid-year and poor communication and cooperation among ministries and entities created difficulties implementing the policy. Also, incomplete institutional setup made data monitoring weak. Finally, the exemptions applied do not have a strong logic. Without these exemptions, the results are worse.

- The Troika staff understood that the authorities had committed to apply the 1:10 rule change retroactively to the beginning of 2011. But this was not communicated clearly from the Ministry of Finance to the Ministry of Administrative Reform and E-Government.

Recommendation: Interministerial communication and cooperation on the staffing plan needs to improve. MAREG needs to make the staffing plan part of the budget cycle, ahead of the new year, and discuss it with all ministries and affected entities and approve and publish this detailed staffing plan (commitments) together with the budget.

- MAREG did not have an appropriate mechanism in place to measure employment. There was no monthly programming for the staffing plan. Ministries and entities were hiring personnel without notifying MAREG. Without a measuring system, without a monthly plan, and without consequences for misreporting hiring, it is not surprising that the objective was not met.

Recommendation: MAREG has made sound improvements in gathering data on employment by means of developing the electronic census system (a registry of every employee, which is now virtually complete). This is excellent and should be used to track employment in various dimensions (age, gender, by institution, type of contract, etc.). The monthly result of the census should be published on the web, with a brief explanatory note for documentation. MAREG needs to publish its monthly staffing plan on the web as well, and formally update this monthly table and documentary note as the policy changes. A table from the staffing plan and a column with realized numbers as the months roll along should be published on a monthly basis with a short explanatory note. Regarding the misreporting of employees, any staff that is not registered in the census and acknowledged as such by MAREG should not be paid. The weakest reporting of employment so far is in parliament—these individuals should not be paid.

Conclusion:

- The hiring rule in 2011 was not met
- The hiring rule is too elastic with too many exceptions to allow close monitoring
- The census is well designed to be the cornerstone for employment monitoring and registration enforcement—it should be used for this purpose.

Annex—Documentation for Table 1.

- **Ordinary employees** are regular full time employees in the general government with a “permanent contract” or a “private contract of indefinite duration.” For practical purposes, these are civil servants with tenure. They do *not* include staff hired on fixed term, hourly paid, political appointees, elected officials, project related, or otherwise appointed, which are classified as “other staff,” not “ordinary staff.”

- **General government** refers to the central government broken down by ministries, and legal entities, local governments, hospitals, social security funds, and state-owned enterprises of “Chapter A” that have been classified as part of the general government. General government does *not* include “Chapter B” companies, which are companies with minority or majority ownership of the public sector listed on the stock exchange.
- **Gross outflows** comprise retirements, unidentified outflows, and transfers out of the narrow public sector.
- **Gross inflows** comprise identified hirings, unidentified hirings, transfers into the general government from the broader public sector, and transfers in from the narrow public sector.
- **Retirements** are persons that leave government service because of old age retirement or voluntary early retirement.
- **Unidentified outflows** reflect the difference between the stock at the end of the present and the previous month that cannot be explained by identified net flows (a negative residual). These are exits that may not have been properly reported to MAREG.
- **Transfers out of the narrow public sector** are transfers of staff out of the ministries and other entities of the general government into other ministries and entities of the general government.
- **Identified hiring** reflects new recruitment either through ASEP or from the academies (military, police, and other security schools, and pedagogical schools; the graduating classes are hired in general government).
- **Unidentified hiring** reflects the difference between the stock at the end of the present and the previous month that cannot be explained by identified net flows (a positive residual). These are hirings that may not have been properly reported to MAREG.
- **Transfers in from the broader public sector** reflects all hiring in the general government of staff from other public sector entities not classified as general government—for instance a transfer into the ministries or local governments from an enterprise or entity of local government not classified as general government.
- **Transfers in from the narrow public sector** are transfers of staff into the ministries and other entities of the general government from other ministries and entities of the general government. The gross transfers in and transfers out of the narrow public sector represent staff reallocations within the general government and, in theory,

should be exactly the same number, but because of measurement difficulties, in 2011, these in and outflows did not match precisely.

Table 1. Greece--General Government Staff (Ordinary Employment) 2011 1/

(in persons)

Last update: 24-Apr-12	end-2010 stock	Outflow				Inflow					Net flow (8)-(4)	end-2011 stock
		Exits		transfers out to narrow public sector	total = (2a)+(2b)+(3)	Hiring		transfers in from broader public sector	transfers in from narrow public sector	total = (5a)+(5b)+(6)+(7)		
		retirement	unidentified outflow			identified hiring	unidentified hiring					
(1)	(2a)	(2b)	(3)	(4)	(5a)	(5b)	(6)	(7)	(8)	(9)	(10) = (1) + (9)	
General government	692,301	40,025	1,850	16,787	58,662	9,598	3,023	4,090	17,685	34,396	-24,266	668,035
Central government	446,789	19,859	953	11,243	32,055	5,079	955	2,342	3,339	11,715	-20,340	426,449
Presidency	61	2		0	2	0		0	0	0	-2	59
Parliament 2/	1,369	0		0	0	0		0	0	0	0	1,369
Adm Reform and E gov		76		1	77	6		18	859	883	806	806
Interior	1,601	84		858	942	13	47	4	5	69	-873	728
Foreign Affairs	2,445	166		1	167	1	6	0	0	7	-160	2,285
Defence	93,090	4,093	327	17	4,437	1,033		16	8	1,057	-3,380	89,710
Health & Solidarity	1,018	435	31	4	470	63		91	142	296	-174	844
Justice	16,000	901		19	920	197	10	326	58	591	-329	15,671
Education	206,797	7,073	134	6,291	13,498	1,872		218	112	2,202	-11,296	195,501
Culture	7,845	684		14	698	22	294	583	10	909	211	8,056
Finance	19,637	1,694		2	1,696	18	24	16	25	83	-1,613	18,024
Agriculture	2,524	339		2	341	12	11	3	0	26	-315	2,209
Environment	1,050	180		0	180	2	2	46	7	57	-123	927
Labor & Social Sec	1,401	77	84	26	187	1		37	22	60	-127	1,274
Economic Development	1,557	281		1	282	10	51	17	821	899	617	2,174
Infrastructure	6,223	596	3	292	891	11		290	2	303	-588	5,635
Maritime and Fisheries	729	25		821	846	0	8	1	108	117	-729	0
Protection	72,577	2,257		1,000	3,257	1,756	502	39	6	2,303	-954	71,623
General Information	582	57	2	1	60	1		0	1	2	-58	524
Secr. Of Prefectures	8,498	682	338	1,891	2,911	25		629	1,150	1,804	-1,107	7,391
Independent author.	1,785	157	34	2	193	36		8	3	47	-146	1,639
Other	245,512	20,166	897	5,544	26,607	4,519	2,068	1,748	14,346	22,681	-3,926	241,586
Legal entities	6,034	681	110	94	885	124		64	80	268	-617	5,417
Local governments 3/	93,194	7,193		2,885	10,078	357	803	878	12,634	14,672	4,594	97,788
Hospitals	88,564	5,279		891	6,170	3,409	1,060	620	1,424	6,513	343	88,907
Social Security Funds 4/	29,471	2,292		1,674	3,966	485	205	186	208	1,084	-2,882	26,589
SOEs (chapter A) 5/	28,239	4,721	777	0	5,498	144		0	0	144	-5,354	22,885
Other 6/	10	0	10	0	10	0		0	0	0	-10	0

Source: Ministry of Administrative Reform and E-Government.

1/ Outflows, inflows, and net flow reflect cumulative flows in January-December 2011.

2/ 1,369 employees in the Hellenic Parliament as of 31/10/2011

3/ The transfers from broader public sector concern mainly transfers from municipal enterprises to local governments, following Kallikratis reform, which according to the law are not counted as 2011 new hirings.

4/ The hirings are initiated by ATE and then transferred to IKA. According to the provisions of Law 3899/2010, these are not counted in 2011 as new hirings.

5/ Retirements and hiring concern all Chapter A companies.

6/ Discrepancy.

Table 2. General Government Employment, end-of-period stock data

(Number of Ordinary Staff)

	2010	2011			
	1/ Dec	Mar	Jun	Sep	Dec
<u>General government</u>	<u>692,301</u>	<u>692,929</u>	<u>688,819</u>	<u>681,457</u>	<u>668,035</u>
<u>Central government</u>	<u>446,789</u>	<u>438,343</u>	<u>436,913</u>	<u>432,522</u>	<u>426,449</u>
Presidency	61	60	59	59	59
Parliament	1,369	1,369	1,369	1,369	1,369
Administrative Reform and E Government				859	806
Interior	1,601	1,576	1,631	772	728
Foreign Affairs	2,445	2,419	2,390	2,363	2,285
Defence	93,090	91,303	90,446	90,812	89,710
Health & Solidarity	1,018	928	1,059	1,041	844
Justice	16,000	15,960	16,057	16,034	15,671
Education	206,797	200,923	200,462	198,027	195,501
Culture	7,845	8,037	8,347	8,439	8,056
Finance	19,637	19,444	19,311	19,057	18,024
Agriculture	2,524	2,467	2,433	2,342	2,209
Environment	1,050	1,025	1,010	1,001	927
Labor & Social Security	1,401	1,381	1,287	1,328	1,274
Economic Development	1,557	1,588	1,571	2,345	2,174
Maritime Affairs and Fisheries	729	839	821		
Infrastructure	6,223	6,118	6,297	6,242	5,635
Protection	72,577	72,630	72,106	70,599	71,623
General Information	582	573	567	559	524
Secretariat of Prefectures	8,498	7,909	7,945	7,530	7,391
Independent authorities	1,785	1,794	1,745	1,744	1,639
<u>Other</u>	<u>245,512</u>	<u>254,586</u>	<u>251,906</u>	<u>248,935</u>	<u>241,586</u>
Legal entities	6,034	5,856	5,838	5,670	5,417
Local governments	93,194	100,278	99,956	100,419	97,788
Hospitals	88,564	91,850	91,470	91,104	88,907
Social Security Funds	29,471	29,143	29,109	27,393	26,589
SOEs (chapter A)	28,239	27,459	25,533	24,349	22,885
Other	10	0	0	0	0

Source: Ministry of Administrative Reform and E-Government.

1/ In mid-2011 the Ministry of Interior split into Administrative Reform and E-Government, and Interior; the Ministry of Development and the Ministry of Maritime Affairs and Fisheries were merged.

Table 3. General Government Employment, Net Cumulative Flows from End-2010

(Number of Ordinary Staff)

	2011				% of end-2010
	1/ Mar	Jun	Sep	Dec	
<u>General government</u>	<u>628</u>	<u>-3,482</u>	<u>-10,844</u>	<u>-24,266</u>	<u>-3.5</u>
<u>Central government</u>	<u>-8,446</u>	<u>-9,876</u>	<u>-14,267</u>	<u>-20,340</u>	<u>-4.6</u>
Presidency	-1	-2	-2	-2	-3.3
Parliament	0	0	0	0	0.0
Administrative Reform and E Government } Interior }			859	806	...
Foreign Affairs	-26	-55	-82	-160	-6.5
Defence	-1,787	-2,644	-2,278	-3,380	-3.6
Health & Solidarity	-90	41	23	-174	-17.1
Justice	-40	57	34	-329	-2.1
Education	-5,874	-6,335	-8,770	-11,296	-5.5
Culture	192	502	594	211	2.7
Finance	-193	-326	-580	-1,613	-8.2
Agriculture	-57	-91	-182	-315	-12.5
Environment	-25	-40	-49	-123	-11.7
Labor & Social Security	-20	-114	-73	-127	-9.1
Economic Development } Maritime Affairs and Fisheries }	31	14	788	617	-7.2
Infrastructure	-105	74	19	-588	-9.4
Protection	53	-471	-1,978	-954	-1.3
General Information	-9	-15	-23	-58	-10.0
Secretariat of Prefectures	-589	-553	-968	-1,107	-13.0
Independent authorities	9	-40	-41	-146	-8.2
<u>Other</u>	<u>9,074</u>	<u>6,394</u>	<u>3,423</u>	<u>-3,926</u>	<u>-1.6</u>
Legal entities	-178	-196	-364	-617	-10.2
Local governments	7,084	6,762	7,225	4,594	4.9
Hospitals	3,286	2,906	2,540	343	0.4
Social Security Funds	-328	-362	-2,078	-2,882	-9.8
SOEs (chapter A)	-780	-2,706	-3,890	-5,354	-19.0
Other	-10	-10	-10	-10	-100.0

Source: Ministry of Administrative Reform and E-Government.

1/ In mid-2011 the Ministry of Interior split into Administrative Reform and E-Government, and Interior; the Ministry of Development and the Ministry of Maritime Affairs and Fisheries were merged.

Table 4. General Government Employment, Gross Cumulative Flows in 2011

(Number of Ordinary Staff)

	1/	Retire- ments	Other Outflow	New Hiring	Other Inflows	Net Flows
<u>General government</u>		<u>-40,025</u>	<u>-18,637</u>	<u>9,598</u>	<u>24,798</u>	<u>-24,266</u>
<u>Central government</u>		<u>-19,859</u>	<u>-12,196</u>	<u>5,079</u>	<u>6,636</u>	<u>-20,340</u>
Presidency		-2	0	0	0	-2
Parliament		0	0	0	0	0
Administrative Reform and E Government	}	-76	-1	6	877	806
Interior	}	-84	-858	13	56	-873
Foreign Affairs		-166	-1	1	6	-160
Defence		-4,093	-344	1,033	24	-3,380
Health & Solidarity		-435	-35	63	233	-174
Justice		-901	-19	197	394	-329
Education		-7,073	-6,425	1,872	330	-11,296
Culture		-684	-14	22	887	211
Finance		-1,694	-2	18	65	-1,613
Agriculture		-339	-2	12	14	-315
Environment		-180	0	2	55	-123
Labor & Social Security		-77	-110	1	59	-127
Economic Development	}	-281	-1	10	889	617
Maritime Affairs and Fisheries	}	-596	-295	11	292	-588
Infrastructure		-25	-821	0	117	-729
Protection		-2,257	-1,000	1,756	547	-954
General Information		-57	-3	1	1	-58
Secretariat of Prefectures		-682	-2,229	25	1,779	-1,107
Independent authorities		-157	-36	36	11	-146
<u>Other</u>		<u>-20,166</u>	<u>-6,441</u>	<u>4,519</u>	<u>18,162</u>	<u>-3,926</u>
Legal entities		-681	-204	124	144	-617
Local governments		-7,193	-2,885	357	14,315	4,594
Hospitals		-5,279	-891	3,409	3,104	343
Social Security Funds		-2,292	-1,674	485	599	-2,882
SOEs (chapter A)		-4,721	-777	144	0	-5,354
Other			-10			-10

Source: Ministry of Administrative Reform and E-Government.

1/ In mid-2011 the Ministry of Interior split into Administrative Reform and E-Government, and Interior; the Ministry of Development and the Ministry of Maritime Affairs and Fisheries were merged.