

Executive summary

The monthly unemployment rate in Greece fell below 10% in the fourth quarter of 2023, well down from 27.7% in 2013 following the global financial crisis. Despite this marked improvement, many labour market challenges remain with its unemployment rate still among the highest in the OECD and the EU. In addition to high overall unemployment and structural challenges like skill mismatches and large seasonal fluctuations in labour demand, labour market disadvantage remains concentrated among certain groups such as youth, older workers, women and people with disabilities.

Despite high levels of unemployment, Greek spending on active labour market policies (ALMPs) has historically been low, amounting to 0.30% of GDP in 2021, around three-quarters of the OECD average of 0.42% of GDP. Furthermore, about half of Greece's ALMP spending is allocated to direct job creation programmes (public works), which tend to be some of the least effective support measures according to evaluations in other countries. As such, few jobseekers receive training and wage subsidies, and counsellors face high caseloads. This makes it hard to meet jobseekers' needs and provide tailored support.

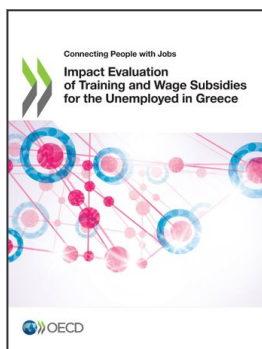
To address many of the long-standing challenges on the Greek labour market, an extensive reform called "Jobs Again" was launched in April 2022 in the design and implementation of ALMPs, benefit schemes, as well as the Greek Public Employment Service (DYPA). DYPA is going through changes in its governance model and a major re-branding, building practices on evidence-based policy design and implementation, and developing a modern, agile and efficient organisation to deliver ALMPs, including via leaner administrative processes and advanced digital solutions. In a parallel development, Greece is implementing a new set of training programmes that are expected to considerably expand the training available to jobseekers. Nevertheless, the full potential of these changes may not be realised if ALMP funding remains low and counsellor caseloads high over the longer-term.

Using rich administrative data from different registers in Greece, the report evaluates the impact of selected training measures and wage subsidies for unemployed people. The analysis assesses outcomes beyond the probability of employment and for different population groups. The report finds a positive impact of both types of ALMPs. Nevertheless, Greece could do more to ensure these programmes reach the people who need them and benefit from them the most.

DYPA's ongoing reform holds much promise to improve the provision of ALMPs overall, but further success will depend on developing a strategic vision, engaging staff and ensuring sustainable human and financial resources. The key policy recommendations emerging from this review include:

- **Draw up a clear and concise strategy for DYPA to set the long-term objectives, mission and vision.** Support the overall strategy with a strategic concept for the digitalisation pathway of DYPA, establishing the objective and principles for digital innovations, helping to prioritise the different IT projects, and setting a clear framework for digitalisation.

- **Continue developing a binding, transparent and streamlined performance management system in DYPA** to support the implementation of DYPA's strategy. Increase staff ownership by engaging staff in developing DYPA's strategy, designing the system of performance management, as well as in DYPA's planning and innovation processes more generally.
- **Increase counselling capacity and decrease caseloads** to provide actual counselling and meaningful support to jobseekers, and to implement job-search requirements. Support the counsellors with appropriate (digital) tools, clear guidelines, thorough training and leaner and more automatic administrative processes.
- **Establish a fully-fledged evidence-based approach to ALMP design and implementation** by allocating additional financial and human resources to be able to conduct evaluations both in-house and contract them out, including trialling and piloting in evaluation strategies, and developing the capacity to systematically link administrative data for evidence generation.
- **Fine-tune the design and implementation of ALMPs** by consolidating ALMPs with wider eligibility criteria but targeted to the individual needs instead of the many existing temporary programmes which can be inefficient to manage and may not reach the people who need them.
- **Target wage subsidies and training programmes to those groups who need them and benefit from them the most** by using the results of profiling and the findings of this evaluation exercise, as well as counsellors' discretion.



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