

Acquisition of work experience for new entrants to the labour market

Information review: October 2015

GREECE

Young people have been among the hardest hit by the recession in Greece. One of the major problems faced is young people's lack of professional experience. This explains some of the difficulty new entrants face in the labour market in their attempts to get a job. Addressing this issue has been a policy objective for a number of years, and various schemes have been launched to promote youth employment and skills acquisition as this practice. In the context of the deep economic crisis, the practice provided modest but positive results. In addition, the practice was able to provide a simplified application procedure in order to ensure transparency, visibility and to attract employers.

Name of the PES

Οργανισμός Απασχόλησης Εργατικού Δυναμικού (ΟΑΕΔ)
Manpower Employment Organisation (OAEDE)

When was the practice implemented?

October 2010 – on-going

Which organisation was involved in its implementation?

N/A

Which social groups were targeted by the practice?

Jobseekers:
► Youth
► Other: new labour market entrants aged 16–24
All employers

What were the practice's main objectives?

The practice seeks to facilitate the transition from education to the labour market and to familiarise young people with working life. By providing an opportunity for young people to acquire work experience, the authorities seek to shorten the time needed for newcomers to get a job and thus to lower the youth unemployment rate.

What activities were carried out?

Practice participants are selected by the Public Employment Service (PES). In order to qualify as a new entrant to the labour market, the young unemployed person must prove that he/she has not worked in the past year for more than 150 work days. In addition, new entrants to the programme must be holders of a valid unemployment card, and must have agreed an action plan drawn up with a PES employment counsellor. Companies are selected from a list of companies that have previously applied to participate. The practice is implemented in two stages. During the first stage, trainees are placed with private companies – for a period of no less than 6 months and no more than 12 – in order for them to acquire work experience. At this stage, the subsidy amounts to 80% of the social security contributions corresponding to the minimum wage. During the second stage, which is optional for the enterprise, trainees have signed work contracts and their employment is subsidised for a period of 12 months. The subsidy at this stage amounts to 70% of the social security contributions corresponding to the minimum wage.

What resources and other relevant organisational aspects were involved?

The practice is managed by the Manpower Employment Organisation of Greece (the Greek PES) at both the national and the regional level. It is designed and coordinated centrally. Applications are filled in, filed and evaluated at the Centres for Employment Promotion (Κέντρα Προώθησης της Απασχόλησης – KPA). These are the local PES offices, there are 119 of them across Greece. As well as assessing applications and providing subsidies, employment counsellors in the KPAs assist beneficiaries to complete a detailed questionnaire (profile) and to draw up personal action plans. They also offer supplementary active labour market policies. Upon approval of the subsidies, KPAs are required to keep a record of each enterprise participating in the programme and to perform regular checks (every six months). Employment counsellors are also responsible for making the payments to the companies and for monitoring the practice.

Source(s) of funding	European Social Fund National budget (tax revenue)
What were the outputs of the practice: people reached and products?	<p>People reached:</p> <p>The original design of the programme (in October 2010) envisaged assistance being provided for 10 000 unemployed new entrants for the period 2010-2012. Just over a year later (December 2011), the programme was downsized to 5 000, on account of limited uptake (which was attributed to the economic crisis). Along with the number of beneficiaries, the programme's budget was reduced accordingly. As regards performance, the programme was evaluated in November 2012. At the time of the evaluation, the PES had received 1 651 applications from interested companies since the official launch of the programme; it had approved 1 023 (62%) and had rejected 301 (18%). There were 1 415 beneficiaries, and so the practice achieved only a fraction of its target.</p> <p>Most of the participating companies were micro-companies, owned and run by a family, operating in the fields of distribution and various services. Some 90% of participating enterprises employ fewer than 10 people (1 486 enterprises).</p> <p>The majority of beneficiaries in the first stage of the programme are women (1 033, 73% of the total). Women also constitute the majority in the second stage (65%).</p> <p>Products:</p> <p>N/A</p>
What outcomes have been identified?	Regarding effectiveness the practice has reached 28.3% of its target for the number of work practices (1 415 up to November 2012), in relation to the revised target of 5,000). 20% of the enterprises participating in the first stage of the programme decided to proceed to the second stage (offering a work contract).
What are the lessons learnt and success factors?	<p>The evaluation found the following interesting conclusions:</p> <ul style="list-style-type: none"> ▶ Monitoring data indicated that responsiveness on the part of employers was modest, in spite of the generous assistance on offer. Two years after its launch, only 1 415 unemployed workers had benefitted from the practice (28.3% of the original target). ▶ Among the reasons for the only partial success of the programme, employers mentioned the economic crisis and the fact that in hard times firms try to survive through cost-cutting measures and by avoiding taking on new staff. ▶ The restrictions imposed on employers by the programme seem to have acted as a barrier to participation. These include the rule that firms must not have dismissed workers in the six months prior to application, that they must maintain the same level of employment throughout the programme, and that they must keep a participant on for a further six months without a subsidy. ▶ The application procedure, the requirements for online application and the tendering procedure were simplified to ensure transparency and visibility. Many Greek employers have avoided other PES initiatives because of the level of bureaucracy. ▶ The share of jobs that would have been created irrespective of the programme (the deadweight) was put at 40%. ▶ The cost per participant was slightly lower than expected (EUR 5 180 over 18 months vs. the anticipated EUR 5 394).
More information on the practice	http://ec.europa.eu/employment_social/empl_portal/weesp/GR-4.pdf



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