



PROMOTING NEW JOBS  
FOR UNEMPLOYED WORKERS

## Special two-year employment promotion programme with social security contributions subsidisation for the recruitment of 25 000 unemployed workers

Information review: October 2015

### GREECE

Prior to the economic crisis, Greece relied mostly on passive labour market measures in order to assist the unemployed. Active programmes were relatively underdeveloped and focused heavily on three types of intervention: wage subsidies, start-up incentives and work experience programmes. From early 2010, the Greek active labour market policy (ALMP) scene changed radically, with a new generation of active measures. In addition, the authorities increased the resources for active measures in an attempt to deal with the crisis. The practice has been especially successful in facilitating access to jobs for young (67 %) women (58 %) with a high education level (30 % with university level).

Name of the PES

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

When was the practice implemented?

October 2010 – on-going

Which organisation was involved in its implementation?

Applications are filled in, filed and evaluated at the local level, at the local PES offices (KPAs). As well as evaluating applications and granting subsidies, employment counsellors at KPAs help beneficiaries complete a detailed questionnaire (profile) and draw up personal action plans, and also offer supplementary active labour market policies (ALMPs).

Which social groups were targeted by the practice?

Jobseekers  
 ▶ Young people  
 ▶ Older jobseekers  
 ▶ Women  
 ▶ Other: Unemployed workers with large families (three children or more); Lone parents  
 All employers

What were the practice's main objectives?

The practice aims to create 25 000 new jobs, either full or part time, by providing subsidies to companies to cover non-wage costs. Employers are interested in reductions in social security contributions, especially for the low-waged, as this encourages recruitment and enhances job creation.

What activities were carried out?

The programme is open to all private enterprises, although small and medium enterprises (i.e. those employing up to 50 workers), as well as enterprises active in 'green' activities are given priority. Participating companies are selected from a list of companies that earlier applied to participate. Participating unemployed workers are selected by the Public Employment Service (PES) on the basis of certain criteria. Matching prospective employees to employers is performed by PES, or else the employer can propose its own candidate. In addition to evaluating applications and granting subsidies, employment counsellors at KPAs help beneficiaries to complete a detailed questionnaire (profile) and draw up personal action plans, and they offer supplementary ALMPs.

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 should be mentioned that most active measures in Greece are designed and coordinated centrally. Applications, however, are filled in and evaluated at the local level, at the Centres for Employment Promotion (Κέντρα Προώθησης της Απασχόλησης – KPA). These are the local PES offices, and there are 119 in the country. Upon approval of the subsidies, KPAs are obliged to keep a record of each enterprise participating in the programme and to perform regular checks (every six months). Because of the way in which active measures are organised in Greece (central planning and execution, focus on formal criteria, little room for local initiatives, etc.), management and operation hardly differ from practice to practice.

Source(s) of funding

National budget (tax revenue)  
European Social Fund

What were the outputs of the practice: people reached and products?

**People reached:**

According to monitoring data, between October 2010 (when the programme started) and November 2012 some 27 294 applications were submitted by enterprises. Of these, 20 506 (75 % of the total) had been approved and 3 706 (14 %) had been rejected after assessment. The remainder (3 082, or 11 % of applications) were still being processed.

According to administrative data, two out of three beneficiaries (67 % of the total) were aged 30 or less (17 % were below 24, and 50 % were aged 25–30). The majority of beneficiaries were women (58 %). Female beneficiaries tended to be younger than their male counterparts.

Almost half of the beneficiaries had upper secondary education (49 %). University graduates comprised a further 30 %, while the other educational groups completed the picture with smaller shares.

**Products:**

N/A

What outcomes have been identified?

In terms of jobs created, applications from jobseekers had been approved for 32 072 jobs; 6 464 had been rejected; and 5 165 were still pending. The great majority of the participating enterprises (71 %) recruited one person. Two were recruited by 17 % of the enterprises; and three or more by 12 %. On average, each participating enterprise created 1.6 new jobs. Of the newly recruited workers, eight out of ten were selected by the employers themselves, while the remainder were selected by the PES.

The actual results of the programme far exceeded initial expectations and the programme turned out to be the most popular ALMP put forward by the government. It should be noted that, following its success, the programme is still operating; the extra financial resources needed come from resources for similar but less successful schemes that are not used.

What are the lessons learnt and success factors?

The main points highlighted by the evaluation of the practice are as follows:

- ▶ Young people were given priority at the selection stage, although no specific quota was set regarding their participation rate. In all, 21 488 of the jobs created were taken up by young people – 9.7 % of the total number of unemployed young people at the time the programme was launched (2010). Based on these figures, the evaluation concludes that the programme has had a significant impact on youth unemployment.
- ▶ Most of the participating enterprises were active in the fields of miscellaneous services (44 % of the total), distributive trade (44 %) and manufacturing (12 %). The great bulk of participating enterprises (83 %) are micro-enterprises, employing up to four people. Small and medium enterprises, employing 10–49 persons constitute 10 % of the total.
- ▶ The deadweight, i.e. the share of the workplaces that would have been created irrespective of the programme, is estimated at 48 %.
- ▶ Regarding efficiency, the average unit cost (i.e. over two years) per beneficiary is estimated at EUR 7 000 (EUR 7 300 for the youngest age group). This figure is marginally higher than the unit cost originally planned (EUR 6 838).
- ▶ Compared to the cost of unemployment benefits, the programme is much less expensive: average annual unemployment benefit amounts to EUR 4 860 – much more than the average annual cost of the programme which is estimated at EUR 3 500 per participant.

More information on the practice

[http://ec.europa.eu/employment\\_social/empl\\_portal/weesp/GR-5.pdf](http://ec.europa.eu/employment_social/empl_portal/weesp/GR-5.pdf)



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