Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper – Greece

Managing skills mismatch in the Greek labour market. How does Greece compare to Bulgaria?

Peer Review on "Competence Assessment System: MyCompetence"

Sofia (Bulgaria), 28-29 November 2019

Written by Ioannis Cholezas, in collaboration with ICF.

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Unit A1

Contact: Kim Henriksson

E-mail: EMPL-A1-UNIT@ec.europa.eu

Web site: http://ec.europa.eu/social/mlp

European Commission

B-1049 Brussels

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1 Introduction

This paper has been prepared for the Peer Review on "Competence Assessment System: MyCompetence" within the framework of the Mutual Learning Programme. It provides a comparative assessment of the policy example of the host country and the situation in Greece. For information on the host country policy example, please refer to the Host Country Discussion Paper[1].

2 Situation in the peer country

2.1 State of play

The unemployment rate in Greece has been dropping slowly since 2014, while employment is increasing. However, according to Eurostat[2], in the second quarter of 2019 (2019Q2) unemployment still stood at 16.9%; the highest unemployment rate in the EU28. That corresponds to approximately 800 000 unemployed. The average unemployment rate in the EU28 was 6.2% in 2019Q2, while the second highest, which was reported in Spain, still fell short by nearly three percentage points compared to Greece (14%).

Typically, women in Greece still have more trouble finding employment compared to men: the unemployment rate for women stood at 20.9%, approximately seven percentage points higher than men's in 2019Q2. This gender unemployment differential has fluctuated over the years, but, even during the period of economic expansion, it hardly ever dropped below five percentage points. Interestingly, the unemployment rate for women is not higher than men's in all EU28 countries. For example, the differential is negative in Ireland and even wider in Latvia (3.3 percentage points in 2019Q2). Hence, there is no rule dictating that women should face more employment difficulties than men. In countries where this is the case, though, a number of explanations are put forward. For instance, women tend to focus on household care. When there are children involved and social services for children and elderly are inadequately developed, women tend to choose female dominated professions, such as teachers, secretaries, cleaners, etc.

Young people aged 15-24 also face greater difficulties in the Greek labour market, despite the fact that they are better endowed compared to older individuals. The share of 30-34-year olds who have graduated from tertiary education has been increasing since 2009, reflecting an expanding demand for tertiary education services. The overall increase is approximately 17 percentage points; hence, that share stood at 44.3% in 2018.[3] However, the youth unemployment rate has been the highest in the EU28 over the past few years, despite the fact that is has been decreasing after a staggering 60% in 2013Q2; hence, it stood at 33.6% in 2019Q2. Spain followed closely with 33.1%, but in most other countries youth unemployment is much less of a problem. Note, for example, that the EU28 average youth unemployment rate stood at 14.1% in 2019Q2. On the other hand, the ratio of youth unemployment rate to unemployment of older individuals was not that high in Greece; youth faced an unemployment rate that was double compared of the unemployment rate of individuals aged 25-74 in 2019Q2, compared to the quadruple in Romania, more than triple in Hungary and Luxembourg, and only marginally less than triple in Ireland.

Perhaps the most troubling fact in the Greek labour market is the share of long-term unemployed, which stood at 70.8% in 2019Q2. This was by far the biggest share

[1] Loukanova, P. (2019) Workforce Competence Assessment -in retrospect and in perspective, Host Country Discussion Paper – Bulgaria. Peer Review on "Competence Assessment System; MyCompetence", Sofia (Bulgaria), 28-29 November 2019. European Commission, DG Employment, Social Affairs and Inclusion.

[2] Data retrieved from the official Eurostat website on October 15th 2019, which are available at https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsq_urgan&lang=en

[3] Greece has surpassed the Europe 2020 target of 40 % since 2015.

across EU28 with an average of 41.6%. The share of long-term unemployed in Greece increased during the crisis along with the general unemployment rate. However, already back in 2008Q2, when the unemployment rate in the country was 7.3%, Greece had one of the biggest shares of long-term unemployed in the EU. Reintegrating those people in the labour market is not an easy task.

2.2 Skills mismatch and unemployment

The question that is dominant in public discourse over the past few years is whether skills mismatch in the labour market should be held responsible for the high unemployment rate and for hindering economic growth. Rapid technological developments could cause current skills to depreciate (i.e. become obsolete and outdated). The typical check to determine skills mismatch is to compare the unemployment rate with the job vacancy ratio (JVR). A high unemployment rate coupled with a high JVR indicates that there are jobs available and there are people looking for a job. However, people are not hired. One plausible explanation, although not the only one, is that skills demanded by firms differ from skills supplied by the unemployed. Technological developments and changes in the production structure are mostly to blame.

However, contrary to what seems to be the case in other countries, such as Bulgaria, the unemployment rate in Greece does not seem to be widely affected by skills mismatch. In particular, and according to Eurostat's latest data[4], the JVR for the business economy was 0.8% in 2019Q2 compared to 2.4% in the EU28 (mind also the much lower unemployment rate in the EU28). Even if specific industries are addressed, the picture is similar. For instance, in the Greek manufacturing industry the JVR was 0.4 % (compared to 1.8% in the EU28), while for 'professional, scientific and technical activities', the JVR was 1.6% (compared to 2.9% in the EU28). The biggest JVR in Greece was traced in 'water supply, sewerage, waste management and remediation activities' (5.1%) and the second biggest in 'accommodation and food service activities' (3.2% in Greece and 3.1% in EU28). Hence, the data seem to suggest beyond any reasonable doubt that skills mismatch does not contribute to the high unemployment rate in Greece. In other words, if we could magically make skills mismatch disappear, it would not benefit the unemployment rate much.

However, skills mismatch is present in the Greek labour market. At least that is what reports suggest. Skills mismatch is more pronounced amongst specific firms and industries, which often rely on cutting-edge technology (SEV, 2019). Manpower (2018) argues that 61% of firms had trouble filling job vacancies in 2018, especially the large ones (i.e. employing more than 250 persons). A more general skills mismatch, though, is evident in basic or horizontal[5] skills.[6] In the same context, OECD's Survey of Adult Skills, within the Programme for the International Assessment of Adult Competencies (PIAAC), reported that 26.5 % of adults in Greece are proficient at or below Level 1 in literacy (vs. 18.9 % in the OECD countries) and almost 28.5 % score at or below Level 1 in numeracy (6 percentage points higher than the OECD average of 22.7%).[7] Moreover, CEDEFOP's European Skills Index asserted that skills are not adequately utilised in the Greek labour market. In this context, the skills' under-utilisation index in Greece was 47.3 % (in 2014), lower only compared to the one in UK and Austria.[8] Moreover, 57 % of adult employees were expecting several of their skills to become outdated in Greece compared to 46% in the EU28. This is probably partly due to the low rate of adults (25-64 years old) participating in

[4] Available at https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do
[5] These terms are often used interchangeably. They refer to skills that can be used in multiple jobs and are usually acquired early in life, such as communication skills, analytical thinking, teamwork, exercise judgement, etc.
[6] Evidence on skills mismatch can be found also in Adecco (2018), ManpowerGroup (2018), SEV (2019) and SEV (2014).
[7] Figures were retrieved from http://www.oecd.org/skills/piaac/Skills-Matter-Greece.pdf.
[8] Data are drawn from https://skillspanorama.cedefop.europa.eu/en/skills-themes/matching-skills-and-jobs

education and training schemes; that rate was 4.5% in 2018 in Greece compared to 11.1% in the EU28.

Moreover, the incidence of over-education[9] is another manifestation of skills mismatch.[10] Relevant data by Eurostat[11] reveal that more than one in three employees was considered over-educated in Greece in 2018 (31.6%). This represents an increase of approximately 12 percentage points compared to 2008, which means that the situation got worse during the crisis. Skills mismatch is more pronounced in 'wholesale and retail trade' (70.1%) and 'transport' (49.6%) and less widespread in sectors such as 'education' and 'health'. Horizontal skills mismatch[12] is also quite common in Greece; it involved approximately 31% of the employed in 2018. Horizontal skills mismatch is more common amongst 'agriculture and veterinary' graduates (73%).

Although the discussion in Greece focuses on skills mismatch as a cause of unemployment, the types of skills mismatch discussed are not likely to contribute to the high unemployment rate: they rather prevent the efficient use of human resources and constitute a waste of resources. Moreover, skills mismatch is responsible for (a) lowering the returns to education[13], hence weakening the motivation to acquire more education, (i.e. to accumulate human capital, which may risk long-term growth prospects); (b) prolonging the transition from education to work, since graduates need time to lower/adjust their expectations to the labour market needs; (c) slowing down the growth of specific firms or even entire industries that rely on advanced technology and compete internationally, some of which could operate as growth engines for the economy, etc. Last but not least, skills mismatch contributes to brain drain[14], since looking for a job in another country is another way to improve the skills match by expanding one's options. Brain drain increased during the crisis in Greece (Labrianidis and Pratsinakis, 2016).

Hence, efforts to reduce skills mismatch equal (or should equal) efforts to improve the management of the available human resources, which could lead to considerable gains in terms of economic efficiency. In this context, there are specific policies and measures in Greece which address skills mismatch. However, the closest process to competence assessment is the accreditation of formal and informal learning by the National Organisation for the Certification of Qualifications & Vocational Guidance (EOPPEP).

Therefore, key intervention in determining labour market needs and identifying potential skills mismatch in Greece is the Labour Market Diagnosis System (LMDS). It was introduced in 2016 by the Ministry of Labour and Social Affairs, but it has been continuously extended and upgraded since then. The ultimate aim is to use the output of the LMDS as an input (a) to set up Active Labour Market Policies (ALMPs) capable to bridge the gap between skills demand and supply through re-skilling and up-skilling the labour force, (b) to adapt the education system and, particularly VET, to the needs of the labour market and, hence, improve the transition from school to work, (c) to forecast future skill needs, in order to adjust labour supply to labour demand quickly and efficiently, which could take place though interventions in the Initial and

[9] Over-education or vertical skills mismatch is the phenomenon in which an individual performing a job possesses more skills (i.e. higher level skills) than required. In other words, the same job could be performed by a less skilled individual.

[10] Additional information on the two types of skills mismatch, i.e. vertical and horizontal, can be found at https://ec.europa.eu/eurostat/documents/7894008/9596077/Methodological_note.pdf

[11] This data can be retrieved from Eurostat's webpage https://ec.europa.eu/eurostat/web/experimental-statistics/skills

[12] Horizontal skills mismatch is present when an individual performs a job which requires a specific level of skills that he/she possesses (usually level of education), but of different content (e.g. working in the banking sector with a degree in Greek language, when a degree in economics would be more suitable).

[13] SEV (2019) explores skills mismatch estimates that three out of ten employees are over-qualified for the jobs they perform. Both horizontal and vertical skills mismatch are detected in the Greek labour market. At the same time, some firms find it hard to fill specific job posts.

[14] Brain drain refers to the phenomenon of highly skilled individuals leaving the country, in order to look for a job abroad.

Continuous Vocational Education and Training (IVET and CVET) system. At the time the LMDS is evolving, but it can hardly be considered complete.

3 National policies and measures

3.1 Description of the policies/measures

In order to remedy skills mismatch, we need to determine first where and how it takes place. Therefore, we need enough information to draw a complete picture of the national labour market and detailed information at regional and local level. The same set of information enriched with planned state interventions could potentially be used to forecast employment needs (i.e. future demand for skills), in order to allow for the supply of skills to adjust quickly and prevent the unemployment rate from rising.

It should be clear that the supply of skills is determined both by the education system and the established Life Long Learning (LLL) processes, which are becoming ever more important in the process of preparing a labour force capable to adapt to the changing market conditions and demands, partly caused by technological advancements. Therefore, once the necessary information is obtained, the focus should be on adapting (a) the education system, especially Initial and Continuous Vocational Education and Training (IVET and CVET), to market demands, in order to properly prepare individuals and improve their employment prospects, and (b) other education and training schemes, in the context of a lifelong learning process, both within and outside the workplace, including ALMPs, in order to re-skill and up-skill individuals to meet the demand for skills and competences.

We can identify three interrelated aspects of policy interventions that aim at improving skills match in Greece and the utilisation of human resources. The establishment and operation of the LMDS to support, among others, the new framework for ALMPs and, in the context of the latter, the project *Elefsis*[15], which is hoped to change and significantly improve the way ALMPs are implemented. In many aspects, the LMDS resembles the system MyCompetence in Bulgaria, although it is a less developed system with fewer options available to both the job seekers and the employers.

3.2 Analysis of the policies/measures

The *LMDS* is governed by a multitude of stakeholders, including three Ministries and the social partners, and it has been developing tools for the monitoring and analysis of the labour market.[16] Contrary to MyCompetence, the LMDS was not initiated by social partners, although it was a response to their requests.

The scientific responsibility for the LMDS lies under the National Institute for Labour and Human Resources (EIEAD). Currently, the LMDS produces documentation and estimates for, mostly, current demand for and supply of occupations at the national and, more importantly, the local level. It focuses on occupations by industry due to insufficient data to address skills and competencies.[17] The latest report by the LMDS in 2019 is presented in the form of an interactive table, which is divided into four panels with information on[18]: (a) the labour market in period 2011-2018 using data from the Hellenic Statistical Authority (ELSTAT), (b) the labour market for paid employment in period 2014-2018 using data from ERGANI, (c) the registered unemployed persons in

[15] More information is available at http://www.oaed.gr/documents/ ΔΕΛΤΙΟ+ΤΥΠΟΥ-ΠΙΛΟΤΙΚΟ+ΠΡΟΓΡΑΜΜΑ+ΕΛΕΥΣΙΝΑΣ.pdf/db8c6a37-a5d5-4d5c-82d2-50f41c907c1e

[16] See http://lmd.eiead.gr/

[17] EIEAD has conducted two specific surveys in West Macedonia and Thessaly, which included skills and competencies. However, these are isolated attempts so far.

[18] The report is available at https://lmd.eiead.gr/ ετήσια-έκθεση-2019

2018 using data from the Organisation for Labour Force Employment (OAED), and (d) knowledge, skills and competencies using data from ESCO[19].

However, the plans for the LMDS are ambitious: they include technological and skills foresights and targeted employer surveys for each of the 13 regions on the basis of ESCO classification. In order for the LMDS to reach its full potential, two requirements should be fulfilled. First, it needs to be reinforced with suitable staff (primarily the EIEAD) and, second, it needs to be given access to (a) National Social Security Agency (EFKA)[20] data by Tax Registry Number (AFM), in order include occupational analyses of professional occupations (doctors, lawyers, engineers, etc.) and the agricultural sector; (b) TAXIS[21] data by AFM, in order to combine and compare occupational analyses with the financial data of employing companies; (c) General Commercial Registry (GEMI)[22] data by AFM, in order to include occupational analyses by size and detailed sector of employing companies; (d) Detailed data on General and Vocational Upper Secondary Education graduates, as well as on Tertiary education graduates from the Ministry of Education and Religious Affairs, in order to track the absorption of human capital in the labour market; (e) Data on investment plans from the Ministry of Development and Investments, in order to include them in the econometric projections for demand for occupations and skills.

The second policy intervention that is expected to improve the situation in the labour market is the restructuring of Active Labour Market Policies (ALMPs), for which the LMDS results will be used as an input. New ALMPs set specific goals, such as the creation of new jobs, the support of entrepreneurship and social solidarity economy, the facilitation of the reintegration of the unemployed to the labour market through improving their employability, the fight for equal opportunities and against social exclusion.[23] Most importantly, though, the new strategic framework differs from the past one in many aspects. First, an 'open framework' approach is adopted, i.e. no time constrained schemes will always be available to the unemployed. Second, the role of the LMDS will be reinforced, in order to improve the use of its results by OAED consultants and policy makers through developing interactive tools. Third, OAED's services will be upgraded and personalised (e.g. counselling), an online portal for firms and job seekers will be set up (reporting also vacancies, internships and apprenticeships). Fourth, CVET programmes will use the output of the LMDS as an input and there are plans to make them more accessible to the unemployed, improve their quality and link them to the growth enhancing activities. Fifth, employment schemes will be linked to social policies, hence focus on socially vulnerable groups. Sixth, ALMPs will be monitored and assessed through a new information system that will rely on data from ERGANI and OAED's Monitoring Information System (OPS) and will follow the progress of the unemployed who benefit from them.

The implementation of the new ALMPs is reflected upon the pilot project *Elefsis*. It was launched in November 2018 and has not been completed yet.[24] It is an innovative project aiming at personalising the process of skills matching, in order to reduce the high unemployment rate in the wider area, while at the same time decreasing the number of job vacancies. It addresses everyone registered as unemployed for at least six months, aged 45+, who reside in three municipalities (approximately 3,000 individuals). The set of ALMPs to be implemented include subsidies for new jobs, entrepreneurship/self-employment, training and community work.

[19] ESCO stands for the European Skills, Competences, Qualifications and Occupations multilingual classification.
[20] EFKA stands for the National Social Security Agency.
[21] TAXIS incorporates data on taxes.
[22] GEMI stands for the General Commercial Registry.
[23] Additional information can be found at https://www.ypakp.gr/uploads/docs/11364.pdf
[24] More detailed information can be found at https://ec.europa.eu/greece/news/20181122/montelo_energitikon_politikon_el

The process is simple. The unemployed is notified by the Centres for Promoting Employment (KPAs) through *Elefsis* to fill electronically a questionnaire for self-assessing his/her readiness to work (profiling) and, next, during a one-on-one session with the consultant, an Individualised Action Plan is devised. Upon completion of the process, the unemployed is presented with a number of employment and training options based on his/her individual needs and qualifications (including skills). Naturally, a wage subsidy is involved. This stage resembles the competence assessment element in MyCompetence, although this is not self-assessment.

Under the programme, OAED is also running parallel actions which constitute a complete and targeted plan to offer high quality services to firms, tailored to the needs of every individual employer. This very much resembles sector competence models in Bulgaria's MyCompetence. OAED's consultants, in cooperation with the Unit for Big Employers in OAED, are implementing a new methodology to approach local actors, in order to trace the needs of the local market and to create a suitable cooperation framework with firms. In this context, employers may upload job vacancies, apprenticeship and internship posts, may have a direct contact with the consultant for firms, while approval procedures are simplified and quickened.

4 Assessment of success factors and transferability

4.1 Success factors

The interventions discussed above were requested by various stakeholders, particularly on the employers' side, and got more support during the crisis due to the staggering unemployment rate and wide skills mismatch (although there is limited connection between the two). Therefore, the interventions are motivated and supported by the public and, particularly, the groups involved (firms and job seekers). At the same time, all political parties supported the reforms.

The second important success factor is that the LMDS relies on the cooperation of different stakeholders. The fact that stakeholders were willing to participate is a big step forward given the lack of social capital in Greece (Paraskevopoulos, 2007).

The third success factor is that LMDS's services are provided free of charge and serve employers, job seekers and policy-makers at the same time, by providing more relevant real-time information. That will allow the employers to fill in job vacancies faster and more efficiently (improved match), job seekers to get information on the skills and competences needed to compete for a job (and the availability of jobs) and policy makers to intervene more effectively in the labour market (e.g. ALMPs, VET programmes, etc.).

Another success factor is that the LMDS, and the improvements in the human resources management system that may arise from it, are particularly important in countries with small firms, which cannot afford stand-alone human resources management departments. According to the 2018 SBA Fact Sheet for Greece (EC, 2018), 97.3% of firms in the country were micro firms in 2017 (i.e. they employed 0-9 individuals). Therefore, Greece is the ideal environment for such initiatives, because firms have a lot to benefit from.

Last but not least, the information provided by the LMDS addresses the entire country, but it provides more detailed information when necessary. Hence, the output of the system is suitable for even more stakeholders than those already using it. For example, the information collected could be utilised by regional authorities to design their own tailor-made labour market interventions.

As also stated in the Bulgarian paper on MyCompetence, the Greek LMDS could be transferred to other countries, especially small ones or countries with many small firms, since they are more likely to benefit and, thus, support such a system. However, the system has not reached its full potential yet.

4.2 Challenges and opportunities

4.2.1 Challenges

One major challenge that lies ahead is to set up a universal typology of skills and competences accepted by all involved stakeholders, including social partners. Odd as it may seem, currently there is no universal definition for every skill and competence. According to the Ministry of Labour and Social Affairs sources though, the discussion has already opened, and it is expected to engage social partners too.

Perhaps the most challenging task for the LMDS itself is to enhance the cooperation between involved stakeholders, which is not an easy task in Greece, given the lack of social capital (Paraskevopoulos, 2007). Contrary to MyCompetence, which is a solid system under the authority of the National Competence Assessment Council, the LMDS needs to coordinate a number of stakeholders that range from data collecting bodies, such as ELSTAT, OAED and ERGANI, to regional (local administration) or centralised administration units at the Ministry of Labour and Social Affairs.

The second biggest challenge is making sure its output is utilised by policy makers, in the context of improving the skills match and the utilisation of human resources through reforming VET and lifelong learning programmes, linking education to the labour market and redesigning ALMPs. Currently, LMDS' results are more useful to firms and job seekers rather than to policy makers. In this context, richer data should be acquired, either through the expansion of the data sources already used, e.g. ERGANI could increase the amount of information collected, or through the conduct of separate surveys.

One important aspect, which is often neglected, is the availability of accreditation procedures. Skills, competencies and knowledge, especially when they do not originate from the education system, need to be accredited. In Greece, EOPPEP is the competent authority for this, but so far, the results are not satisfactory. That process would probably benefit from the establishment of a clear and universally accepted definition for skills and competencies mentioned above.

Another challenge is to encourage the use of the LMDS by both employers and job seekers, which could be major beneficiaries. In this context, LMDS needs to be easily accessible to both groups, so that, at some point, the mediation of OAED between them is no longer necessary and the process becomes fully automated. A list of skills and competences (based on ESCO) within narrowly defined occupations could prove useful to employers and job seekers alike. In this context, the use of ICT could prove useful both in the process of setting up a user friendly service for job seekers and employers and in ensuring that low skilled job seekers will be able to use the services.

The extent to which the personalised approach will work (as the pilot project *Elefsis* suggests) is not clear, given the resources that are needed, both monetary and in terms of personnel, and the big number of unemployed individuals. Moreover, attracting the inactive persons to the labour market (recall that MyCompetence clearly states this as one of its goals), the number of which, especially amongst women, is not negligible, is not an easy task and could increase the cost even further. In the case of Greece though, given the big number of the unemployed, attracting inactive individuals to the labour market does not seem to be a priority.

The ESCO classification, which is used so far (e.g. fourth panel in the 2019 report of the LMDS), should be enriched to better reflect occupations and roles in small firms that dominate the Greek labour market. This is a very important challenge, given that there may be multiple roles (multitasking) within small firms. That could complicate the description of jobs in terms of skills and competencies. In the same context, the operation of the LMDS is expected to benefit small firms in particular, which are the ones facing stricter financial constraints. Therefore, it is still unclear how these will be able to utilise the system to their benefit.

One last issue that needs to be discussed is the assessment of the results and the associated cost. In order to be able to assess the results, a monitoring and assessment mechanism should be put in place to collect data and allow the assessment of the LMDS in terms of usage and effectiveness (who uses it, how often, how satisfied are the users by the services and the results, what should be done to improve the results, etc.). This is the only way improvements can be made and effectiveness can be ensured.

4.2.2 Opportunities

Much like the Bulgarian MyCompetence does, the LMDS could expand its competence to provide education and training courses online; at least as far as non-technical skills and competencies are concerned. In the latter case, on-the-job training or apprenticeship schemes would be more appropriate.

Contrary to the Bulgarian MyCompetence, the LMDS does not provide self-assessment tools for job seekers or other interested groups of individuals. This could be an interesting and useful expansion of OEAD's services. The 'profiling', which was introduced in the Elefsis project, is an interesting first step, but there is much room for improvement. Moreover, the results of the self-assessment test could somehow be validated, so that job seekers could use it to their benefit as a proof of their skills and competencies.

Following the footsteps of the Bulgarian MyCompetence, (i.e. models of sector competences), the LMDS could also explore differences in skills, knowledge and competencies within occupations across industries. Again, universal definitions for skills and competences could prove useful and helpful for employers and job seekers. In this context, setting up Sector Skills Units would prove useful, but challenging.

Despite the fact that in the 2019 annual report of the LMDS there is an option to explore the situation in the labour market by industry, it would be useful to provide some general information on the evolution of the industry over time and the plans of the government regarding every industry. It is important to keep in mind that MyCompetence includes an element which provides information on economic sectors. The usefulness of combining the present state of play of an industry with future plans can be easily understood with an example: an industry that has not been doing well over the past years may be associated with good employment prospects, because policy makers consider it strategically important and are planning to support it in the future.

Moreover, the LMDS aims at forecasting future demand for skills and competencies. This is not an easy task and careful steps should be taken. The risk of failure is great and may cause more problems that the ones it attempts to solve. The adaptation of the education system to the demands of the labour market should be pursued up to the point that it does not deprive education from its pedagogical role and its key goal of teaching students how to learn. However, this does not mean that the output should not be used to redress the content of mostly, but not exclusively, VET.

5 Questions

- How are the results of MyCompetence translated to policy and specific interventions?
- How much has MyCompetence helped to improve the situation in the labour market in Bulgaria? Is there an assessment mechanism in place? What are the results so far?
- To what extent are the results of MyCompetence used as input to ALMPs and educational reforms?
- Is there a common definition for skills and competencies? For example, a digitally competent person embodies the same degree of knowledge for all stakeholders?
- What is the content of the e-learning courses? Are they real-time courses or asynchronous? What if the skills missing are of technical nature?
- Is there any cost involved in e-learning? Can also employed individuals participate in e-learning courses?
- How detailed is skills forecasting going to be?
- Who pays for the cost of MyCompetence? Is it shared between the state and the employers?
- Why is the corporate competence model considered? Is it not too specific and costly to adopt?

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Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country
• The highest unemployment rate in Europe, although dropping slowly. • Higher unemployment rate for women and youth. • Big share of long-term unemployed. • Although skills mismatch is present, it leads to poor utilisation of human resources available -and waste of resources in general- rather than high unemployment rate. • Associated problems with skills mismatch: brain drain, low growth for specific firms or industries, lower returns to education and weaker motives to invest in education, prolonged transition from school to work.
Assessment of the policy measure
• The Labour Market Diagnosis System (LMDS) started operating in 2016. It is a State-led initiative with the participation of social partners and multiple stakeholders. • Currently, it produces results, which are mostly useful to employers and job seekers and less so to policy makers. • It is an important initiative to monitor labour demand and supply and improve skills match. However, due to lack of sufficient data, it is confined to address occupations by industry, although at a detailed local level. • It resembles the Bulgarian MyCompetence, but it is still far from it, both in terms of available resources, output and utilisation. • The results from the LMDS are expected to be used as an input for the new Active Labour Market Policies (ALMPs). • *Elefsis* is a pilot project for the new ALMPs which is using the results from the LMDS and attempts to personalise the services of OAED to job seekers.
Assessment of success factors and transferability
• Success factors: (a) the development of the LMDS was demanded by both employers and job seekers, (b) it brought together various stakeholders, (c) its services are provided free of charge, while information provided is real-time and serves the needs of employers, job seekers and, in the future, policy makers, (d) its services are useful especially to small firms, which constitute the majority of firms in Greece, (e) the information provided is detailed and, thus, could potentially be used by nearly everyone who is interested, (f) it is a system that could be transferred to other countries, since the Greek labour market has peculiarities. • Challenges: (a) common typology for skills and competencies, (b) maintain and enhance cooperation between stakeholders, (c) output utilised by policy makers, (d) speed up the process of accreditation procedures, (e) encourage the use of the LMDS and make it easily accessible, (f) facilitate personalised approach, (g) enrich ESCO to cope with small firms peculiarities (e.g. multiple roles), (h) assess the results and monitor the cost associated. • Opportunities: (a) provide online education and training courses, (b) self-assessment tools, (c) run models of sector/industry competencies to explore

differences in skills within occupations across industries, (d) provide some general information on industry, state of play and planned interventions, (e) forecast future demand for skills and competencies.

Questions

- How are the results of MyCompetence translated to policy and specific interventions?
- How much has MyCompetence helped to improve the situation in the labour market in Bulgaria? Is there an assessment mechanism in place? What are the results so far?
- To what extend are the results of MyCompetence used as input to ALMPs and educational reforms?
- Is there a common definition for skills and competences? For example, a digitally competent person embodies the same degree of knowledge for all stakeholders?
- What is the content of the e-learning courses? Are they real-time courses or asynchronous? What if the skills missing are of technical nature?
- Is there any cost involved in e-learning? Can also employed individuals participate in e-learning courses?
- How detailed is skills forecasting going to be?
- Who pays for the cost of MyCompetence? Is it shared between the state and the employers?
- Why is the corporate competence model considered? Is it not too specific and costly to adopt?

Annex 2 Example of relevant practice

Name of the practice:	Labour Market Diagnosis System (LMDS)
Year of implementation:	2016, but still upgrading and expanding.
Coordinating authority:	National Institute of Labour and Human Resources (EIEAD)
Objectives:	To provide information of labour demand and supply, in order to support policy making in the field of human resources management.
Main activities:	Collect, combine and analyse data from ELSTAT, OAED, ERGANI and GEMI, in order to provide a snapshot of the demand and supply of labour in Greece.
Results so far:	Annual reports, difficulties in translating the output into policies and interventions. Increased efforts to focus on skills, instead of educational qualifications and occupations by adopting ESCO.


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