



# Impact Evaluation of Training and Wage Subsidies for the Unemployed in Greece

Connecting People with Jobs

Launch event, 8 February 2024



Co-funded by  
the European Union

OECD Directorate for Employment, Labour and Social Affairs

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# The Greek labour market has been improving significantly but unemployment remains high

**2023\***  
(change since 2019)



  
**Employment**

**61.8%**  
(+5.6%)

**70.1%**  
(+1.3%)

  
**Unemployment**

**9.4%**  
(-7.8%)

**4.8%**  
(-0.6%)

  
**ALMP Spending\*\***

**0.30% GDP**

**0.42% GDP**

45% drop since 2019 is largest in OECD

## REFORMS RELEVANT TO ALMP DELIVERY

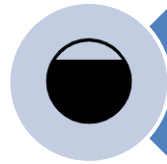
**July 2020** – Changes to wage subsidy programmes  
**April 2022** – Reform of public employment service (PES), DYPA, and important changes to training provision

\* Latest available figure

\*\* Refers to 2021



# Wage subsidies provide a financial incentive to hire and retain jobseekers



Subsidise participants' wage costs (mostly covering 50-75% of total costs)



Duration is generally 12 months



Firms that have recently laid off workers are generally ineligible for subsidies



Changes introduced in July 2020 made it more difficult for employers to pre-select subsidy recipients



Roughly 60 000 participants in programmes analysed



# Two programmes providing training to jobseekers are examined in the evaluation



## Training for “High-demand Sectors”

- Vocational training for roles such as retail sales, waiters, and warehouse workers
- Six months in duration (five of these months involve workplace-based training)
- 19 599 participants in period analysed



## Information and Computer Technology (ICT) Training Programmes

- Training on web and application design, database development, and software applications
- Seven months in duration (two of these months involve workplace-based training)
- 2 504 participants in period analysed



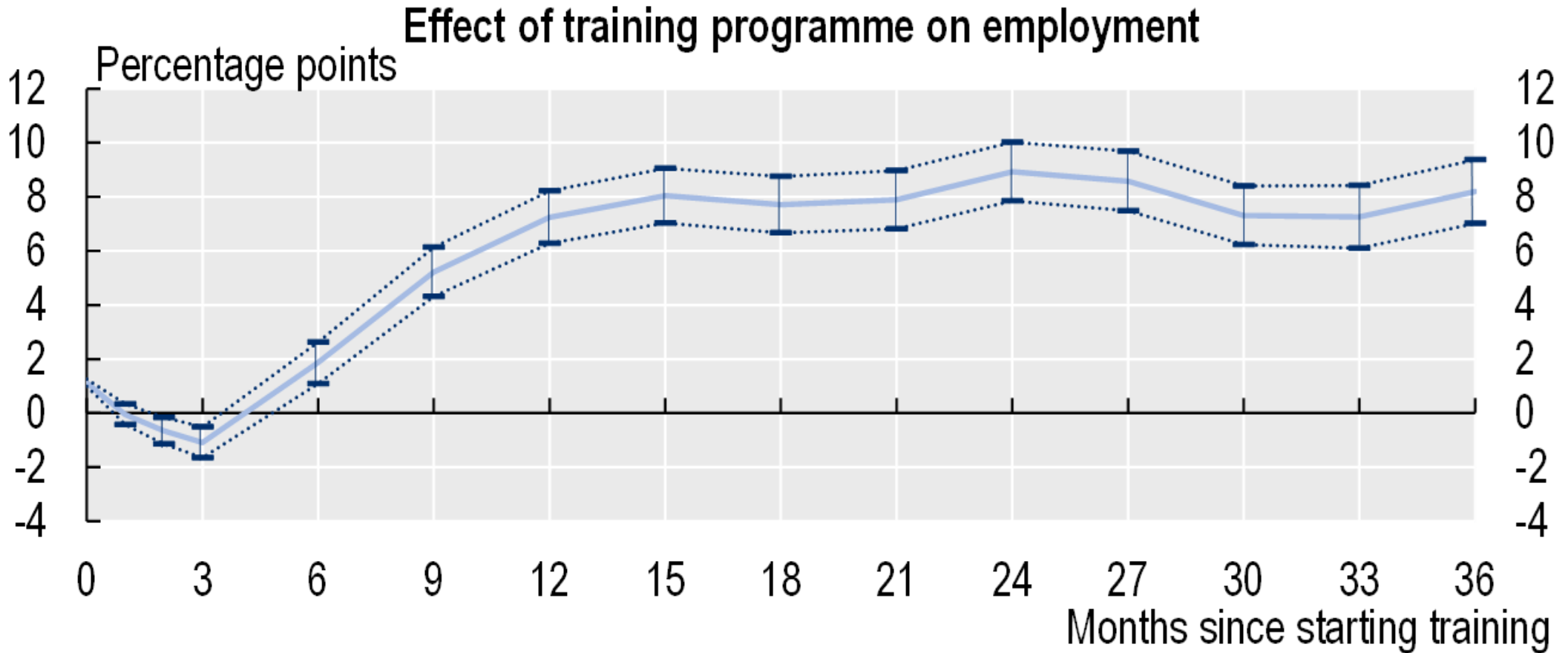
# Impact evaluation results show that wage subsidies have a positive effect on employment

Employment rates - treatment and matched comparison group





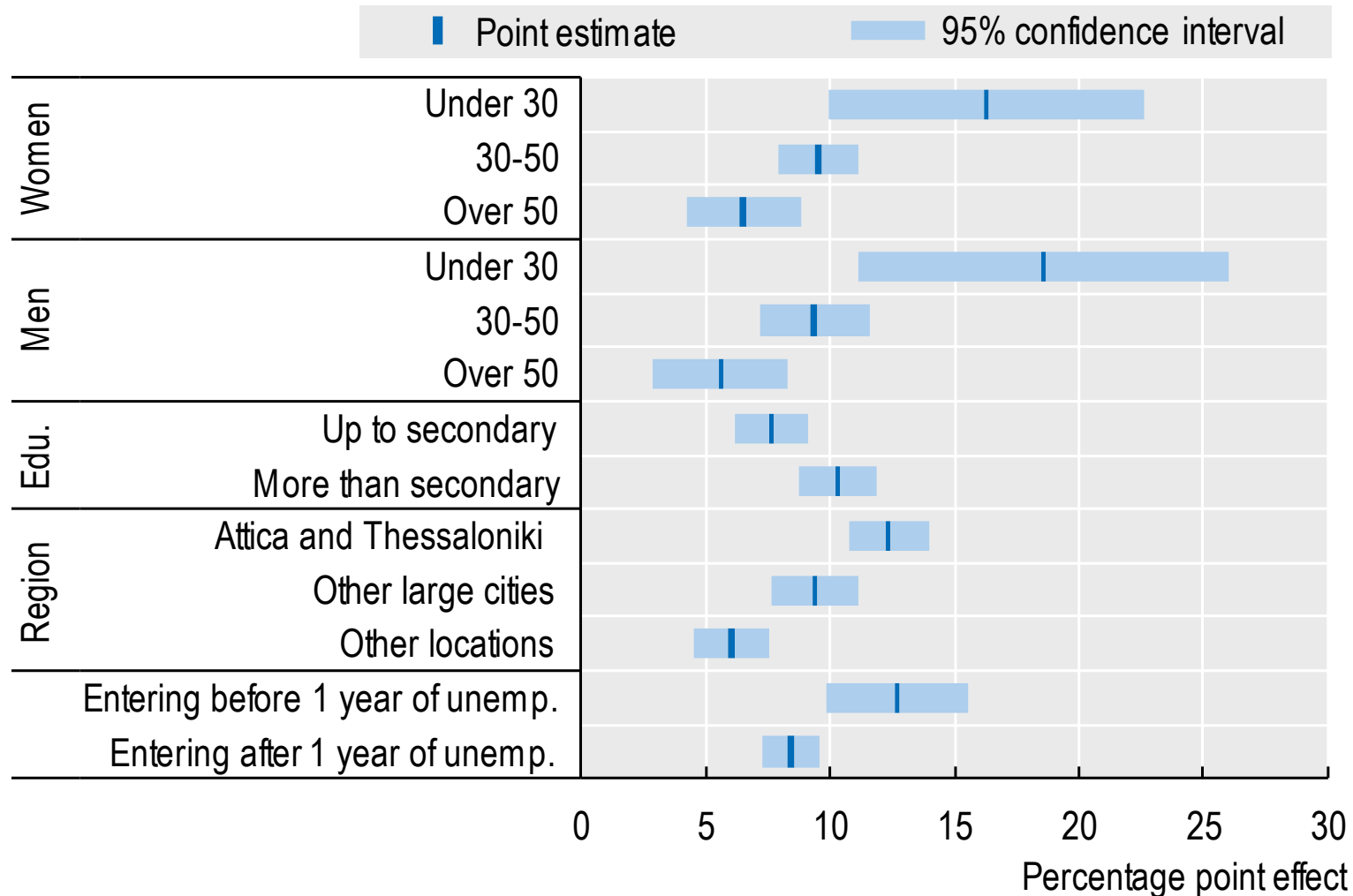
# Training also has a positive long-term effect on employment





# Training helps all jobseekers, but especially short-term unemployed and younger individuals

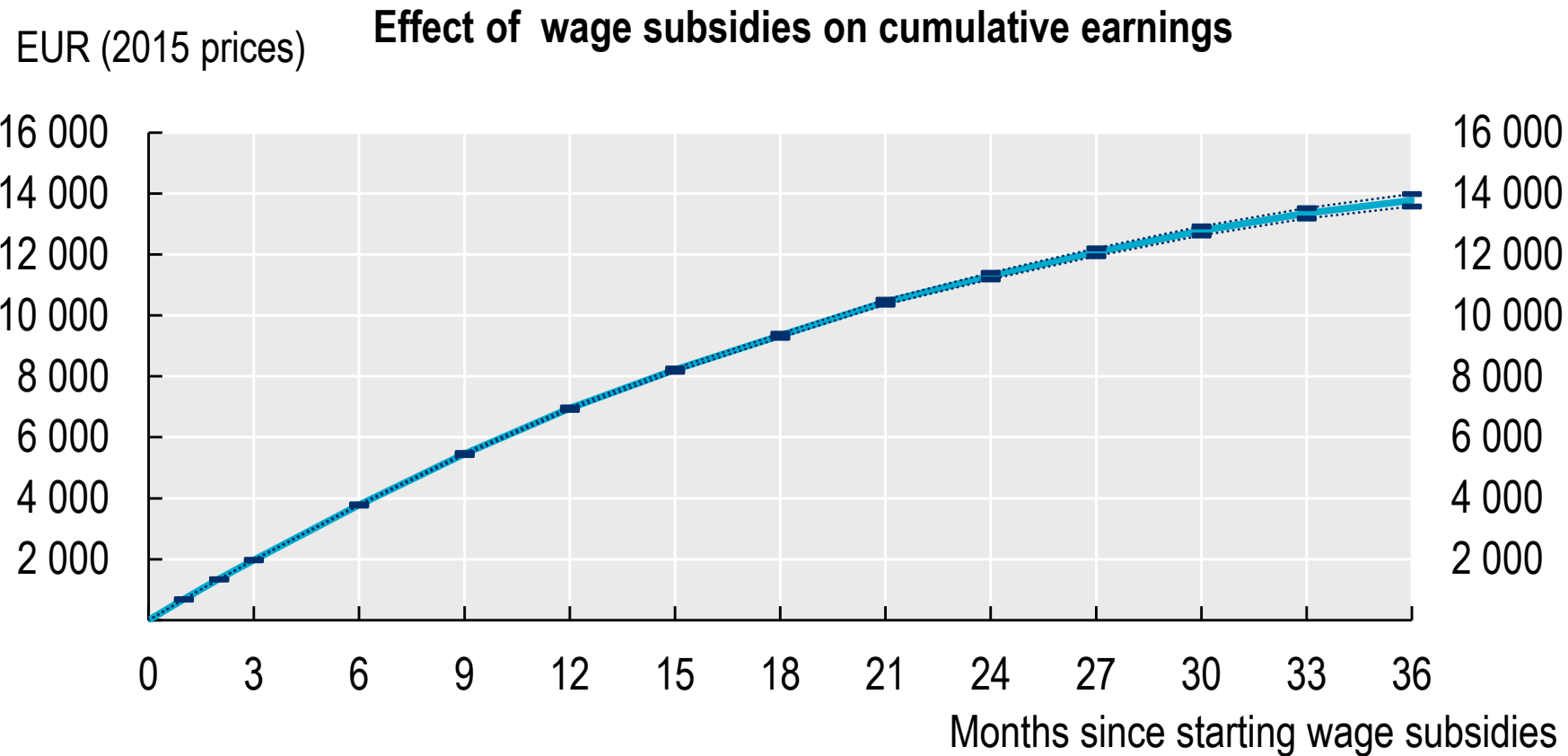
## Effect of training on employment probability at 24 months



➔ Take into account relative impacts when targeting training



# Wage subsidies and training also have positive effects on earnings







# The results on occupational mobility based on an occupational index are more nuanced

## Training effects

- ICT training has a positive effect on occupational mobility, whereas the high-demand industries training has a slightly negative effect

## Wage subsidy effects

- All men under 30 who find employment tend to “climb occupational ladder” but men getting wage subsidies climb it more quickly
- For other groups, no measurable effects on occupational mobility

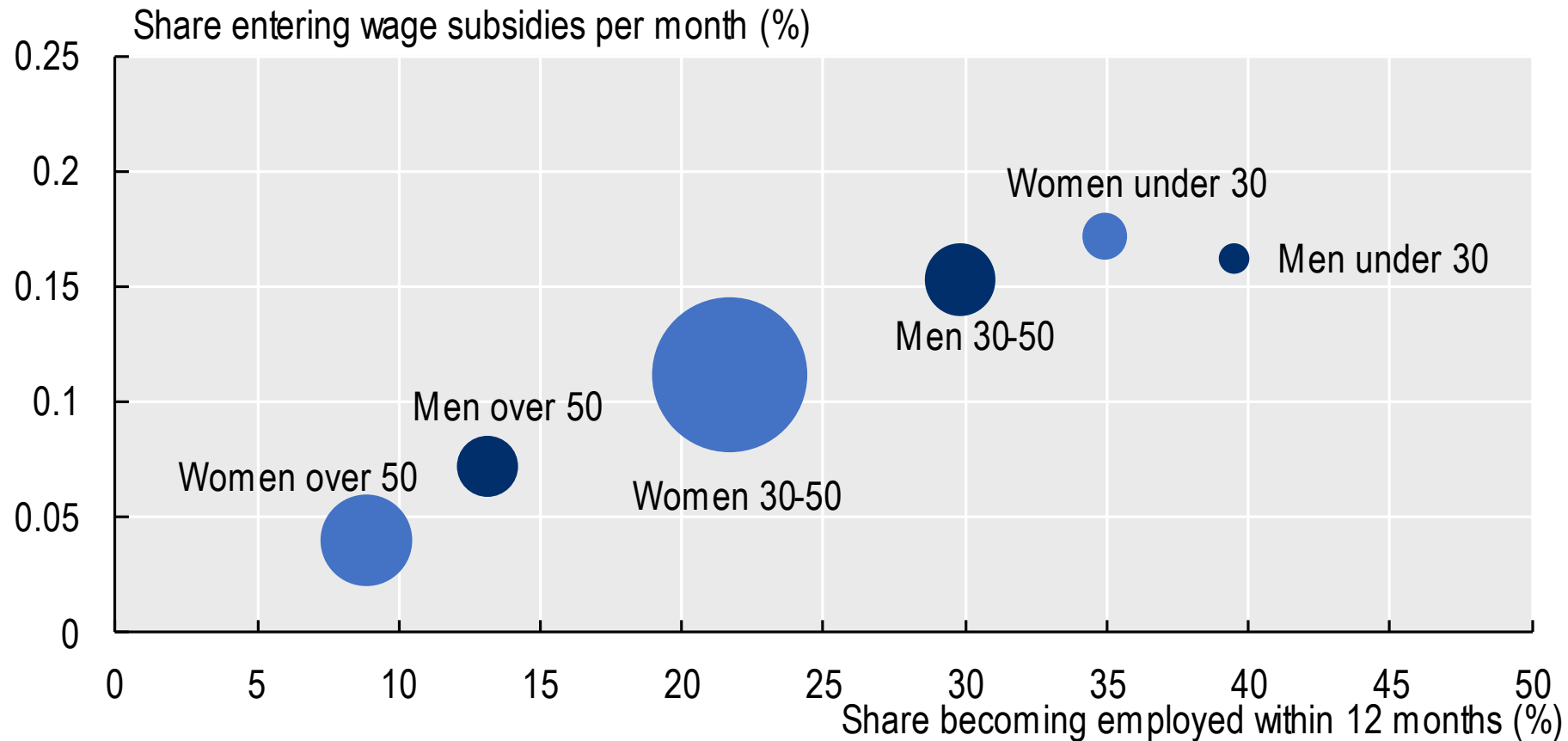
### Constructing the Occupational Index

1. Occupations broken into 1 649 groups (STEP-92 values)
2. Average monthly wages computed for each occupation for unemployed individuals, 2017-21 period



# Groups with already better employment prospects are more likely to get wage subsidies

Wage subsidy participation rates and rates of exit into employment, by age and gender



**Take into account employment prospects when targeting wage subsidies**



# Improving the targeting, design and evaluation of ALMPs could increase their impact

## Targeting

- **Target wage subsidies** more towards long-term unemployed and older individuals
- **Expand training** for jobseekers who have recently become unemployed and youth, while continuing to provide training to other groups, including vulnerable jobseekers and the long-term unemployed

## Design

- **Ensure continuity of funding** for ALMPs
- Establish **ongoing, continuous programmes** to facilitate uptake
- **Replace requirement** that employers must not have dismissed workers in the three months before applying for wage subsidies

## Evaluation

- Allocate additional resources to **conduct impact evaluations**
- Develop the capacity to **systematically link administrative data**
- Explore the possibility to **use randomised controlled trials**



# DYPA should continue its transformation into a modern and efficient organisation

## Strategic Development and Decision-Making

- Formulate a **concise strategy** for prioritising activities and investments
- **Engage various stakeholders** in the decision-making process
- **Actively involve staff** in developing strategies and performance systems

## Hiring Counselling Staff

- **Increase counsellor numbers** to further reduce caseloads and provide more effective counselling to jobseekers, including through specialized counselling

## Performance and Monitoring Enhancement

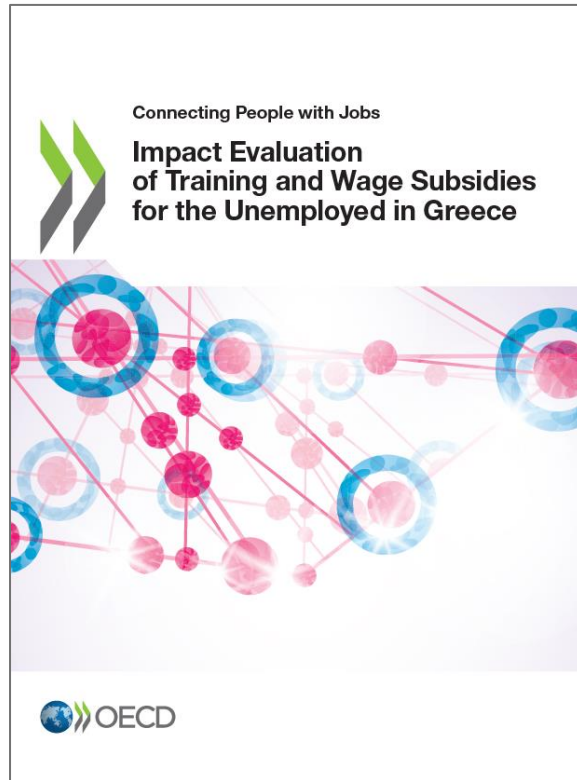
- Establish a **performance management system**
- **Implement the results chain framework** for ALMPs

## Digital Transformation and Counsellor Support

- Develop a comprehensive **digital strategy**
- Provide **modern jobseeker and skills profiling tools**
- Work towards **leaner administrative processes** with modern digital solutions



# Thank you!



Link to country report:  
[oe.cd/Greece-almf-2024](https://oe.cd/Greece-almf-2024)



Link to accompanying Technical Report:  
[oe.cd/Greece-TR](https://oe.cd/Greece-TR)

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Related work: <https://oe.cd/ALMPs>

