



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

Connecting People with Jobs

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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



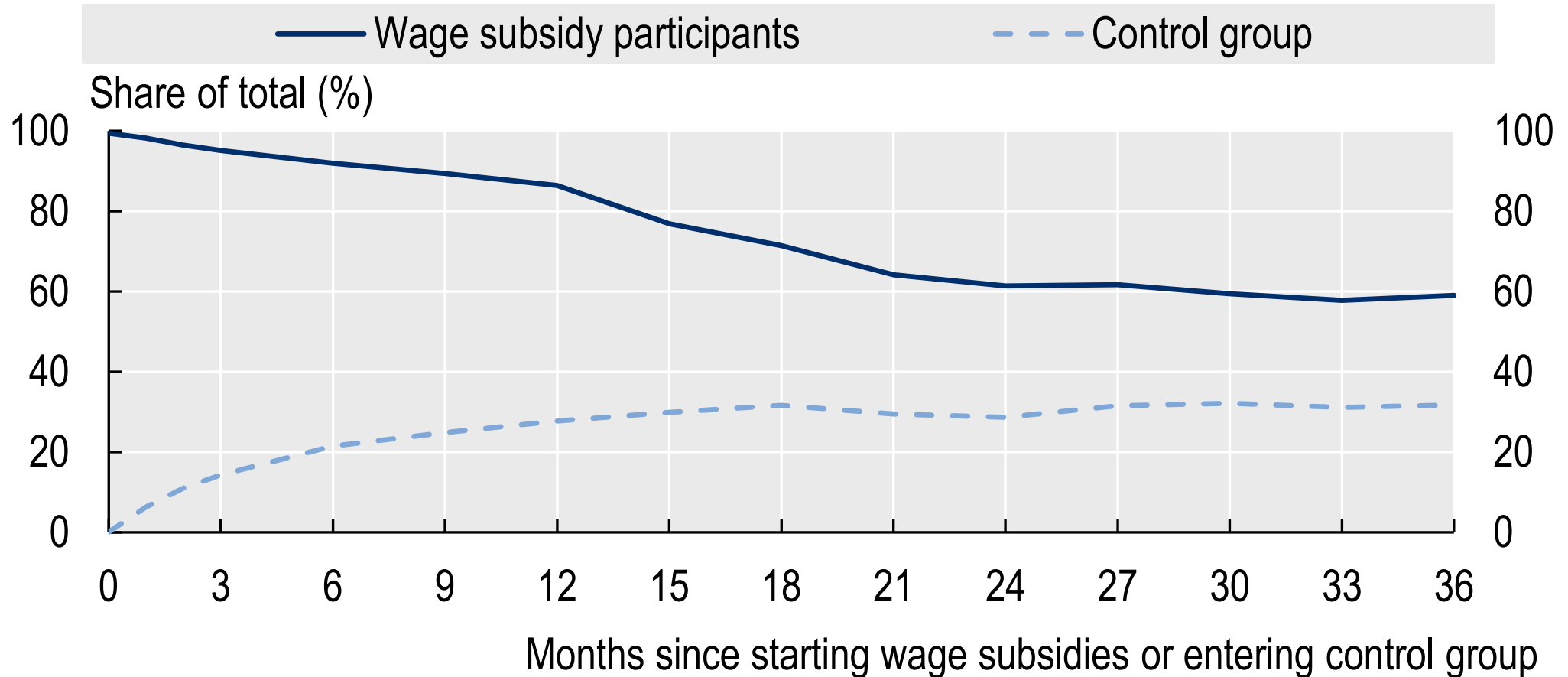
## Information and Computer Technology (ICT) Training Programmes

- 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



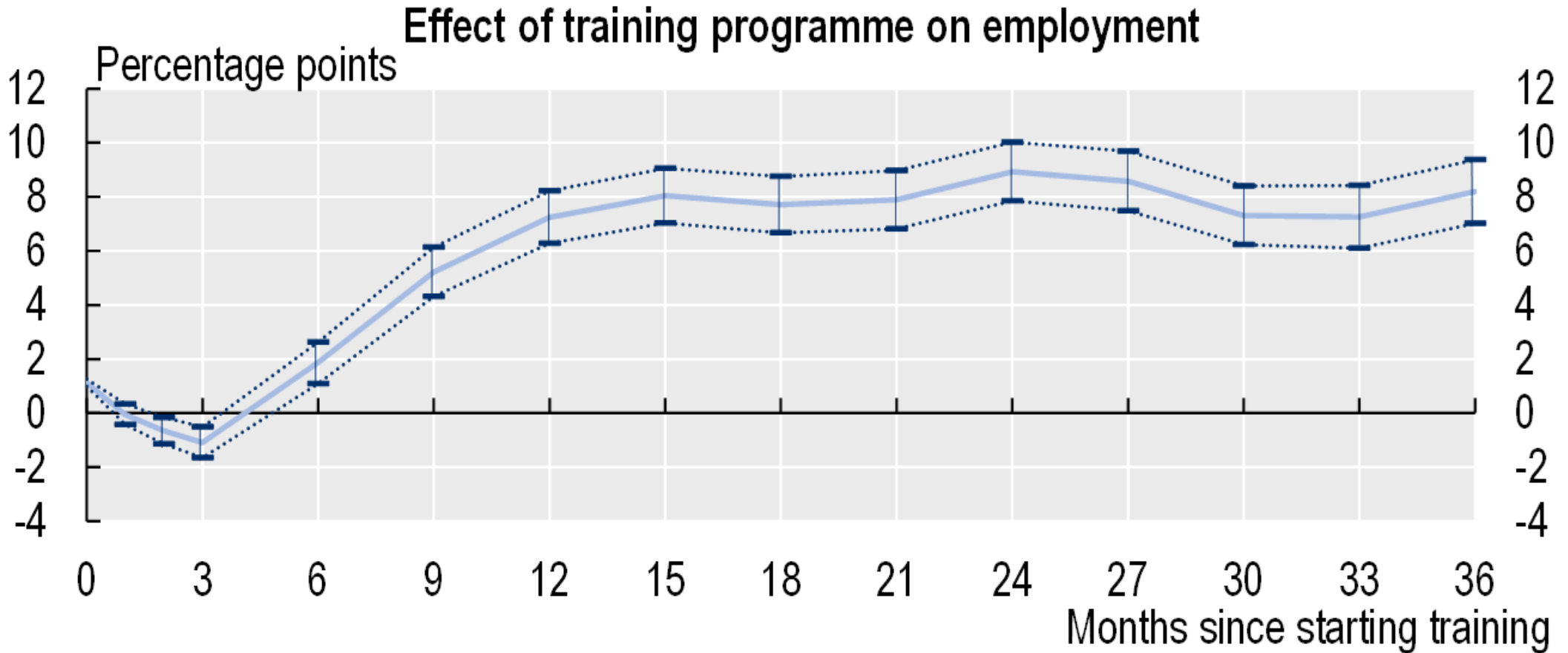
# Impact evaluation results show that wage subsidies have a positive effect on employment

Employment rates - treatment and matched comparison group





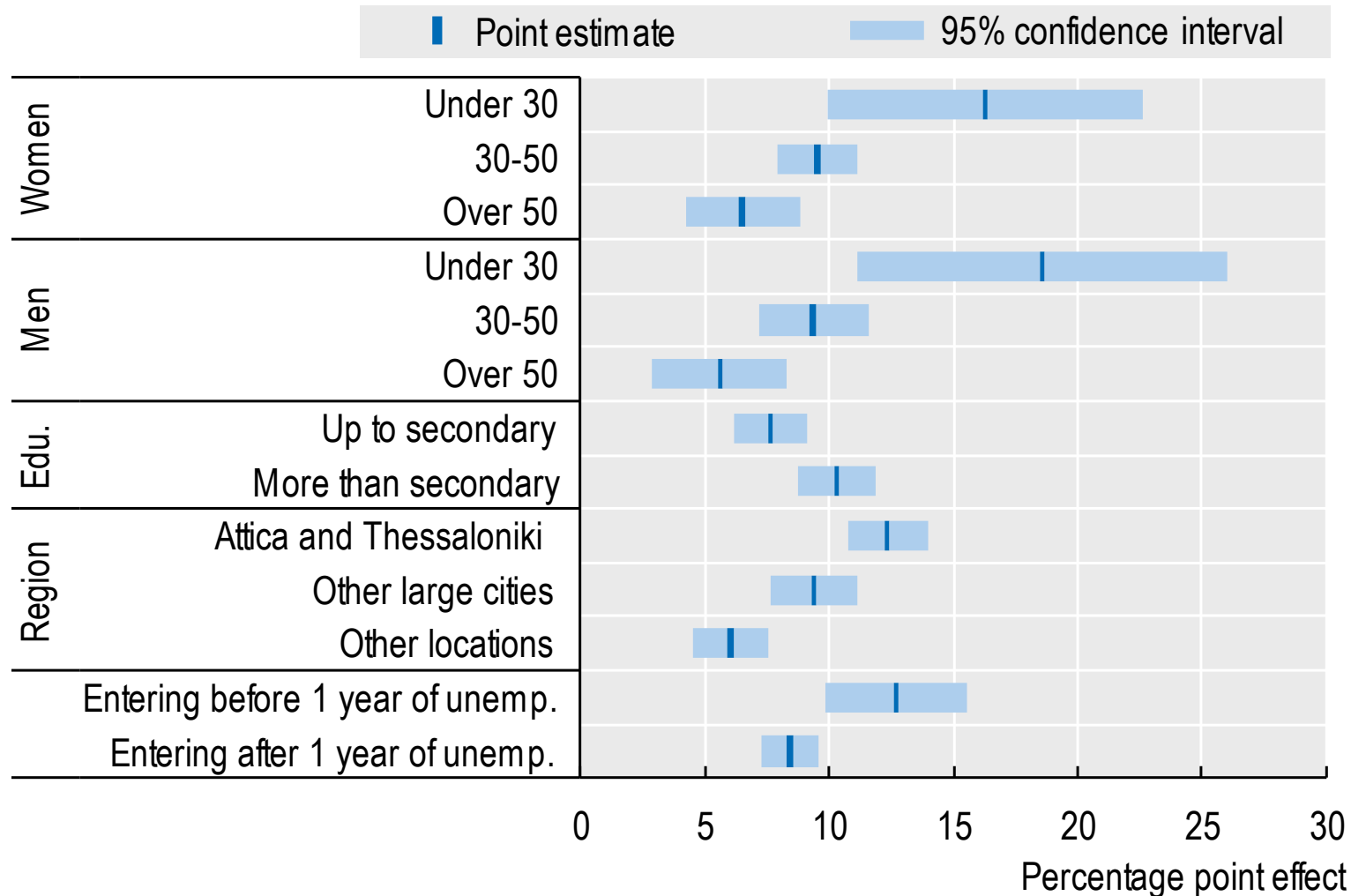
# Training also has a positive long-term effect on employment





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

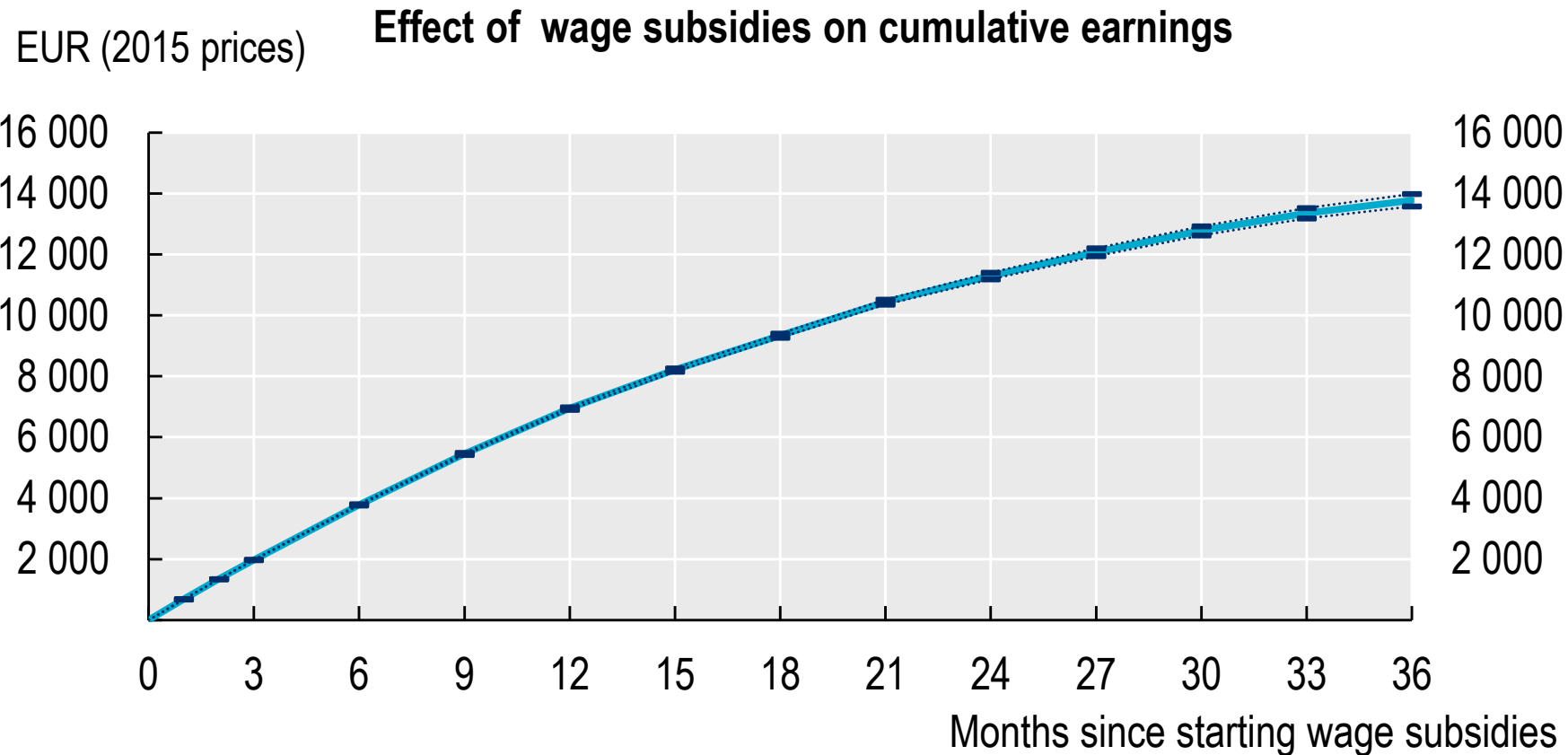
## Effect of training on employment probability at 24 months



➔ 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

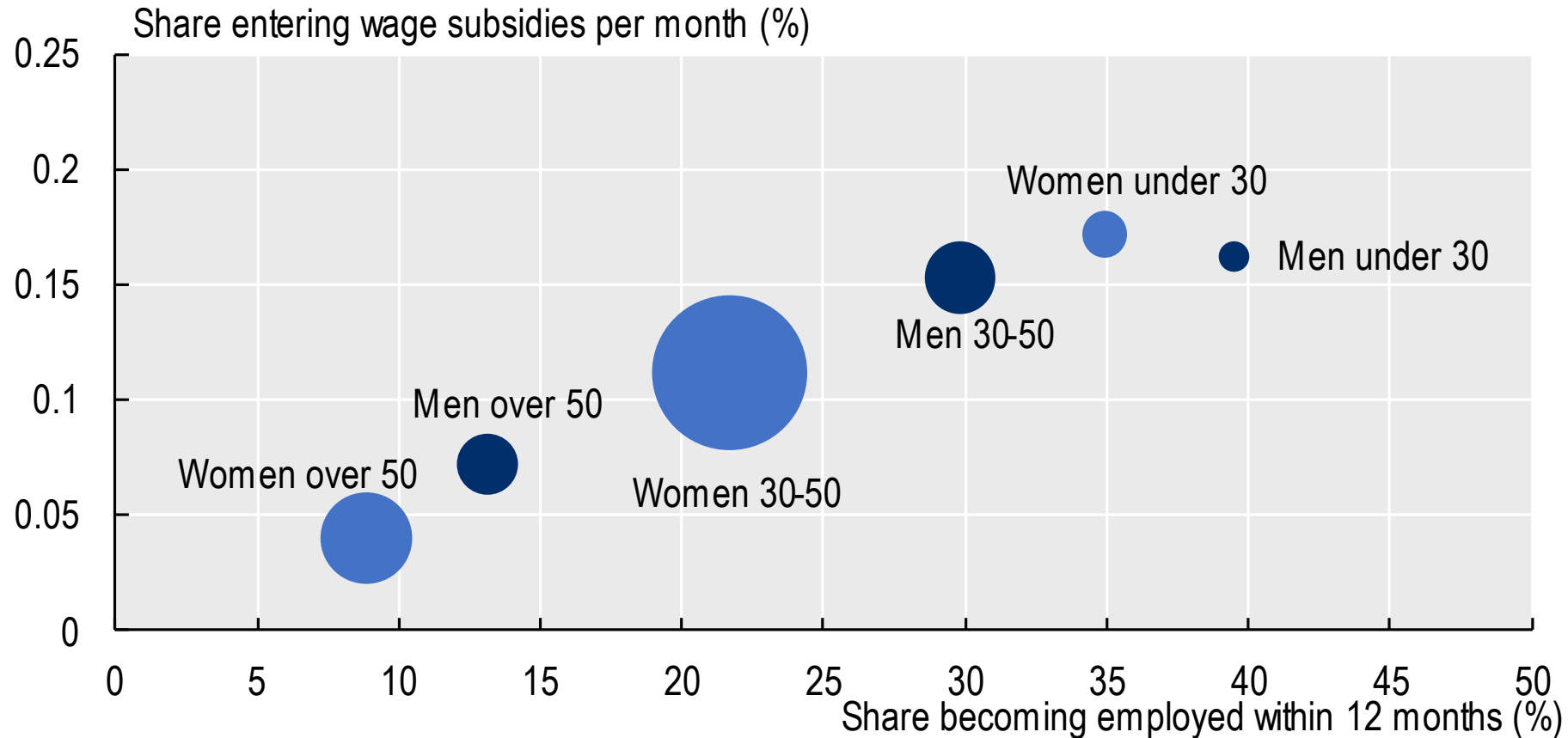
### Constructing the Occupational Index

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 individuals who have recently become unemployed and youth

## 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

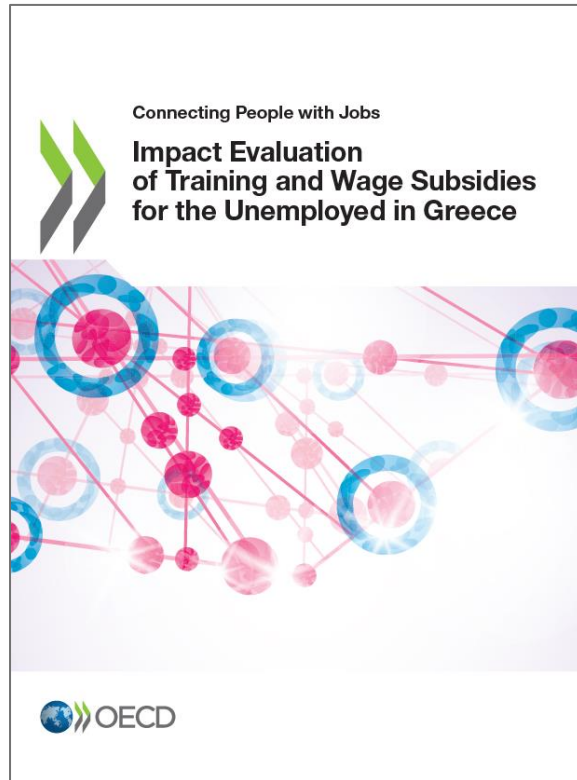
- Establish a **performance management system**
- **Implement the results chain framework** for ALMPs

## 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



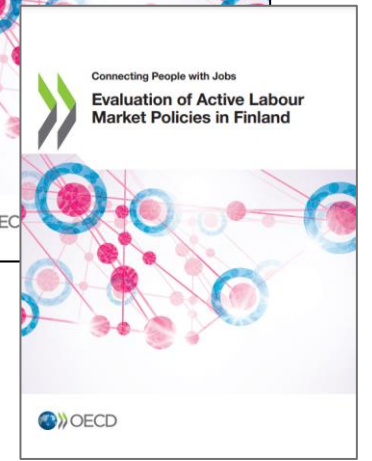
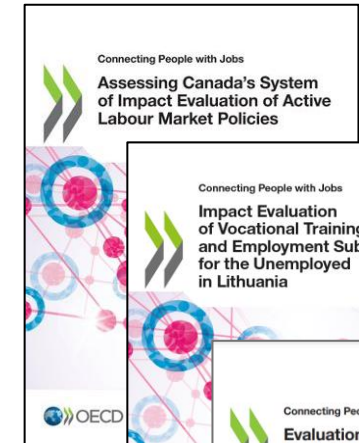
# Thank you!



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



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



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

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