Barriers to and triggers of policy innovation and knowledge transfer in Greece

Maria Petmesidou and Periklis Polyzoidis

Democritus University of Thrace

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i) to ‘advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and their transition to economic and social independence’, and

ii) to engage with ‘relevant communities, stakeholders and practitioners in the research with a view to supporting employment policies in Europe.’ Contributions to a dialogue about these results can be made through the project website [www.style-research.eu](http://www.style-research.eu), or by following us on twitter @STYLEEU.

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Executive Summary

Since 2008 Greece has been in a deep and prolonged economic crisis. From 2009 to 2013, GDP contracted by a quarter, and unemployment tripled: from 9.6%, it rose to 27.5% (in late 2013). It slightly fell to 26.5% in late 2014, as GDP grew at an anaemic 0.7%. Youth unemployment stood at about 25.7% in 2009. It reached 58% in 2013, to slightly drop to 52.3% in 2014. Also, the NEETs rate reached dramatically high levels.

The comparatively high youth unemployment even before the crisis, and long periods of transition from school to work characterising also upper-secondary and tertiary education graduates, reflect structural causes and education and labour market mismatches. However, it should be noted that, as the crisis has dramatically increased unemployment across all working-age groups, youth unemployment is a relative rather than an absolute problem in Greece. In marked contrast to some other European countries (e.g. UK and Netherlands) where the Great Recession hit young people disproportionately hard. Thus, in 2014, Greece exhibited the lowest share of young unemployed (15 to 24 years, 13%) to the total number of jobless workers among EU countries.

On the basis of the in-depth interviews we conducted with policy experts, officials and researchers with a good grasp of youth labour markets and school-to-work transition issues, and also by drawing on the available literature, we examine the major barriers to and triggers of effective policy innovation. We define “effective innovation” as changes in policy objectives, programmes and delivery processes with likely positive outcomes as to the labour market integration and social inclusion of youth - and particularly of the most disadvantaged youth. We draw upon the available literature on policy change (e.g. Hall 1993; Pierson 1994; Streeck and Thelen 2005) in an attempt to highlight the reform dynamics in Greece. Furthermore, in order to identify the major channels of policy learning and transfer with regard to STW transition, we use the typology developed by Dolowitz and Marsh (2000) on lessons drawing from “abroad” (classified as “copying”, “emulation”, “inspiration”, or “coerced transfer”). Also, the explanatory value of Walther and Pohl’s concept of a sub-protective STW transition regime in Greece is assessed in the light of the responses by our interviewees.

Some major points with regard to the causes and profile of youth unemployment need to be stressed. First, comparatively high youth unemployment prior to the crisis may have cumulative effects over time, as young cohorts get older. Since the eruption of the crisis, such a “cohort effect” has intensified. For instance, when the crisis hit, those who are today 24 to 29 years were at the point of making the transition from school to work, but faced significant difficulties that have been aggravated by the deepening recession. Second, in the last decades, increasing unemployment was the combined effect of de-industrialisation, the continued shrinking of the agricultural sector, women’s increasing engagement in the labour market, the formal/informal
labour market divide, and low competitiveness in the markets of goods and services. At the same time, there were no signs of a transition to an economy with innovation potential that could provide an increasing number of jobs for meeting labour supply. Third, a polarisation of the employment structure accompanied these macro-trends of the economy until the eruption of the crisis: the share of middle rung jobs decreased, while that of professional, technical and managerial jobs, and of elementary jobs (e.g. in construction, market sales and tourism) increased.

The first part of the report focuses on governance structures and the dynamics of reform and traces the major barriers to / enablers of innovation, while the second part briefly reviews policy learning / policy transfer with regard to major institutional aspects (employment protection legislation, ALMPS, wage setting institutions, VET structure etc.) and how these impact on youth employment.

(A) Our analysis highlights the following barriers to effective policy reform:

- **Policy decision-making in the areas of employment, education and training is highly centralised.** This does not allow much scope for initiative in policy design and management/implementation by regional and/or local authorities. Rather it stifles any bottom-up innovation potential. Excessive bureaucratisation, in tandem with a formalistic/legalistic tradition, goes hand-in-hand with strong central control.

- **Social dialogue and negotiation among relevant stakeholders (state agencies, employers associations, trade unions, educational institutions and others) over policy-making have traditionally been weak in Greece.** This is accounted for by conflictual relations between the social partners and fragmentation of trade unions. The absence of a culture of collaboration also partly explains the weak links between the education system and labour market needs, the low use of apprenticeships, and an often expressed attitude of mistrust (by some trade unions, academics, students and others) to employers’ involvement in education policy. The bailout deal has dealt a serious blow to the weak social dialogue (social partners and, often, democratic procedures have been bypassed), and has fuelled disappointment and mistrust. Repairing these conditions is of utmost importance.

- **The “path dependent” way of accommodating new programmes, mostly introduced through EU initiatives and funding, reflects some major “reform pathologies” in Greece (i.e. the strong grip of clientelistic politics on institutions and labour market programmes, and the absence of a, more or less, systematic process of evidence-informed policy-making).** Hence a “failing reform technology” producing an inertia vis-à-vis what Hall defines as “first- and second-order policy changes”.

- **We can distinguish between different views as to the barriers to (and facilitators of) change expressed by most of our interviewees.** These reflect two opposing discourses on labour
market policy that predominate among major stakeholders in Greek society: a neoliberal discourse supported by representatives of large industries and ministerial executives1 (along the lines of the bailout-deal stipulations), with an emphasis on lack of skills and rigid labour regulations as the main obstacles to business development and increase of labour demand; versus a social-democratic discourse that strongly opposes a deepening relationship between higher flexibility and insecurity. None of the “representatives” of major stakeholders, we interviewed, referred to the “flexicurity” paradigm as a realistic reform option (under the acute crisis conditions). Markedly, according to the social-democratic view, a major barrier to effective policies for tackling unemployment is the “wrong diagnosis” under the neoliberal perspective, namely that youth unemployment is mainly the result of lack of skills. This “diagnosis” has a doubly negative effect. It not only turns a macro-economic and social problem into an “individualised” problem (lack of practical and personal skills for finding a job). It also aggravates it, as the measures ensuing from this diagnosis gradually displace regular employment by a cheap labour force of apprentices and trainees.

(B) The major channels of policy learning / policy transfer brought out in our analysis refer to “external” triggers: EU influence (through EU policy priorities, programmes and funding) has been prominent; though, as indicated above, “reform pathologies” and “path dependency” have decisively shaped the accommodation of new policy measures in the national institutional setting. Policy advice (and prescription) tendered by international organisations is another channel of influence. However, since the eruption of the crisis, crucially important “triggers” of reform stem from the bailout deal. Strikingly, even though youth unemployment has been comparatively high for a long time, it emerged in the national policy agenda as late as 2011-2012, mostly as a consequence of the priority assigned to the youth unemployment problem by the EU.

The various channels of policy influence/learning and transfer (ranked in a descending order of “coercive impact”) are the following:

- “Coerced transfer” (imposed by the bailout deal) as well as “reforms” directly tied to “EU hard law” and/or to requirements for accessing EU funding (e.g. under the National Strategic Reference Framework).

- Systematic expert knowledge provided by the “Task Force” and by specific missions by international organisations (OECD, IMF, ILO, WHO and the World Bank) for “assisting” Greece to deliver the EU/IMF structural adjustment programme.

- “Experimental emulation” of policies through bilateral agreements of cooperation (e.g. the

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1 We refer, here, to high-ranking officials under the previous coalition government between New Democracy and PASOK.
currently undergoing VET reform on the basis of a German-Greek agreement for the provision of expert knowledge on the dual system).

- “Softer” forms of learning, such as the peer reviews under the “mutual learning” programme of the European Commission and other bilateral or multilateral exchanges of expert knowledge in the EU, and other international networks and fora.

- There are hardly any bottom-up channels of policy learning and innovation, for instance, along the lines of the so-called “triple helix”, consisting in a dynamic interaction between actors in three major institutional fields (education, industry and government) that can offer important insights for innovation and job creation. There are a couple of such initiatives recorded, with rather limited scope, prompted by the availability of EU funding (as is, for instance, a collaboration project between Greek and Bulgarian academic institutions, governmental bodies and the business community in order to support start-up businesses by about 200 young graduates in both countries).

(C) Our analysis highlights the views of major stakeholders on two areas of policy reform: the attempt to introduce the dual VET system, and the innovative potential of the Youth Guarantee within the realm of ALMPs.

Among our respondents there is agreement that repairing trust between the social partners, reinstating social dialogue and collective negotiations, and encouraging stakeholder engagement in policy decision-making and implementation are the linchpin of an effective reform. Yet, there are contrasting views as to how the youth unemployment problem is defined, and whether the “policy transfer” pursued by the government can have positive outcomes. The views are framed within the two discourses on labour market policy mentioned above. Some respondents (ministry officials, policy experts from research institutes and from private firms, under contract with relevant authorities for implementing labour-market-related schemes, and the interviewees from the associations of large employers), view positively any improvement of VET and of the practical skills of young jobseekers, as well as the policies enhancing flexibility (in hiring/dismissals, pay, working hours etc.) introduced in the last few years. Nevertheless, most of these respondents agree that active labour market policies (including training) can hardly be a vehicle of effective labour market (and social) integration under conditions of a deep crisis.

On the other hand, particularly the trade unions and the association of small businesses strongly criticised the “experimental transfer” of the dual system, as well as the main ALMPs schemes implemented over the last few years (e.g. the voucher for labour market entry). They described the above “transfer” as a “copying” process with low effects on improving VET and ensuring real opportunities for young people. The reasons are: (1) The very small size of firms, which raises doubts as to the quality of training. (2) The absence of an in-firm training culture and of a clear
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Demarcation and accreditation of skills acquired. (3) The lack of commitment by enterprises with regard to the governance, funding and implementation of the dual system. These conditions are in marked contrast to the apprenticeship tradition in Germany, where enterprises undertake a large part of the training cost and actively participate in standardising and monitoring the quality of training content. In Greece, training is largely subsidised by public funding, and firms are inclined to use cheap (and non-insured) trainee labour as substitute for regular employees. (4) Even if the attractiveness of vocational training increases, it is highly likely that there will be no significant return on such a human capital investment for the country, given the draws on Greece’s skilled labour by North European countries via immigration. In a nutshell, despite enhanced flexibility, sub-minimum wages for youth, and active measures, youth unemployment remains high.

Overall, the severe and protracted crisis has highly stretched resources and tools and has made it very difficult to “experiment” in policy-making, given the fact that there are so many vulnerable groups not only among youth but across many segments of the population. It remains to be seen whether pending reforms (e.g. the “Re-engineering of the Manpower Employment Organisation [OAED]” and the piloting of integrated policies by the Public Employment Services) can add up to major improvements particularly in the policy-making machinery and management process. In this respect the YGIP may have an innovation potential. It definitely cannot solve the youth unemployment problem. But, given its emphasis on integrated policies for matching “youth” to “education/training and employment solutions” it presents a challenge on various fronts: to tackle fundamental “pathologies” of policy management by reinforcing monitoring and analyses that feeds into the policy process; to address the “guidance” challenge (that OEAD, demonstrably understaffed, risks to be unable to deal with), which is pivotal for successfully incorporating a great number of youth into YGIP programmes; and to raise the effectiveness of vocational and professional education.

Key words:
Economic crisis; dual VET system; innovation; path dependence; policy learning/transfer; school-to-work transition; youth guarantee
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<tr>
<td>ALMPs</td>
<td>Active Labour Market Policies</td>
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<tr>
<td>ANEL</td>
<td>Independent Greeks</td>
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<tr>
<td>CEDEFOF</td>
<td>European Centre for the Development of Vocational Training</td>
</tr>
<tr>
<td>EKKE</td>
<td>National Centre for Social Research</td>
</tr>
<tr>
<td>ELSTAT</td>
<td>Hellenic Statistical Authority</td>
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<tr>
<td>EOPPEP</td>
<td>National Organisation for the Certification of Qualifications &amp; Vocational Guidance</td>
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<tr>
<td>EPAL</td>
<td>Vocational Lyceum</td>
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<td>EPAS</td>
<td>Apprenticeship – Vocational Training Schools</td>
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<tr>
<td>ESL</td>
<td>Early School Leaving</td>
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<tr>
<td>ESYN</td>
<td>National Youth Council</td>
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<tr>
<td>Euroconsultants</td>
<td>A Group of Companies Providing Consultancy Services on Innovation and Technology</td>
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<tr>
<td>GESEVEE</td>
<td>Hellenic Confederation of Professionals, Craftsmen &amp; Merchants</td>
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<tr>
<td>GMI</td>
<td>Guaranteed Minimum Income</td>
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<tr>
<td>GSEE</td>
<td>Greek General Confederation of Labour</td>
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<tr>
<td>GSLL</td>
<td>General Secretariat for Lifelong Learning</td>
</tr>
<tr>
<td>ICAP GROUP</td>
<td>A Group of Companies Providing Business Services (including Vocational Training)</td>
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<tr>
<td>IEK</td>
<td>Vocational Training Institutes</td>
</tr>
<tr>
<td>INEDIVIM</td>
<td>Institute of Youth and Lifelong Learning</td>
</tr>
<tr>
<td>KANEP-GSEE</td>
<td>Centre for the Development of Educational Policy of the Greek General Confederation of Labour</td>
</tr>
<tr>
<td>KEK</td>
<td>Vocational Training Centre</td>
</tr>
<tr>
<td>KEPE</td>
<td>Centre of Planning and Economic Research</td>
</tr>
<tr>
<td>KOINSEP</td>
<td>Social Cooperatives of Limited Liability</td>
</tr>
<tr>
<td>KPA</td>
<td>Employment Promotion Centre</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NEETs</td>
<td>Not in Education, Employment or Training</td>
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<tr>
<td>OAED</td>
<td>Manpower Employment Organisation</td>
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<tr>
<td>OAEE</td>
<td>Insurance Organisation for the Self-Employed</td>
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<tr>
<td>OMC</td>
<td>Open Method of Coordination</td>
</tr>
<tr>
<td>SETE</td>
<td>Association of Greek Tourism Enterprises</td>
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<tr>
<td>SVVE</td>
<td>Federation of Industries of Northern Greece</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>SEK</td>
<td>Vocational Training School</td>
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<td>SEV</td>
<td>Hellenic Federation of Greek Enterprises</td>
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<tr>
<td>SYRIZA</td>
<td>Coalition of Radical Left</td>
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<tr>
<td>TOPECO</td>
<td>Local Actions for Vulnerable Groups</td>
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1. Introduction

Since 2008 Greece has been in a deep and prolonged economic crisis. From 2009 to 2013 GDP has contracted by about a quarter, and unemployment tripled: from 9.6%, it rose to 27.5% in late 2013, and slightly fell to 26.5% in late 2014. Youth unemployment stood at about 25.7% in 2009. It reached 58% in 2013 to slightly drop to 52.3% in 2014. An anaemic growth trend in 2014 (by 0.74%) does not allow much scope for optimism for a quick recovery. The more so as forecasts about a significant fiscal gap over 2015 and 2016 fuel grim scenarios for the future debt trajectory of the economy.

Youth unemployment was high even before the crisis. This reflects structural causes and education and employment mismatches. Since the eruption of the crisis, unemployment and the NEETs rate have reached dramatically high levels. Nevertheless, as unemployment has strongly hit all working-age groups, youth unemployment is a relative rather than an absolute problem in Greece, in contrast to some other European countries where the Great Recession hit young people disproportionally hard.

In this report we examine the barriers to and triggers of policy innovation for tackling youth unemployment. The emphasis is on “effective” innovation, defined as a policy change (in objectives, programmes and delivery processes) with positive outcomes for the labour market and social inclusion of youth. We draw upon the available literature on policy change (e.g. Hall 1993; Pierson 1994; Streeck and Thelen 2005) in an attempt to highlight the reform dynamics in Greece.

Section 2 of the report focuses on the dynamics of policy change and innovation. It starts with a brief examination of the governance structure in policy-making, and the way the “youth unemployment” problem is framed in the policy debate, in relationship to major changes in the job structure that affect youth employment. The following subsection examines major institutional barriers to and triggers of policy learning, policy transfer and innovation with regard to STW transition. In this respect, Dolowitz and Marsh’s typology (2000) on lessons drawing from “abroad” (through “copying”, “emulation”, “inspiration” and/or “coerced transfer”) provides a basis for our analysis. Equally useful is Walther & Pohl’s classification of STW transition regimes in Europe. The evidence we provide shows that “soft” and “hard” influence from international bodies (the EU, the “troika”, international organisations) is a major channel of policy transfer in Greece. Moreover, priorities in the national policy agenda arise in close response to EU-level initiatives and funding lines. This is starkly the case regarding youth problems. Despite the comparatively high youth unemployment even before the crisis, the issue acquired salience in Greece mostly as a reflection of the EU concern about youth joblessness and the ensuing EU policy initiatives and relevant funding, in the last few years (e.g. the Youth Opportunities Initiative [2011], the Youth Employment package [2012], the Youth Employment Initiative [2013], etc.).
Overall, our analysis corroborates a “path dependent” way of accommodating changes, in tandem with increasing deregulation pressures (under the “rescue-deal”) and the dismantling of labour protection. Most importantly, following the bailout deal that Greece signed with its international lenders, a raft of reforms deregulating labour markets has been introduced as “coerced transfer”.

These issues are briefly examined in the third section of the report, which reviews changes in institutional arrangements and regulations (employment protection legislation, unemployment benefit, ALMPs, labour contracts and working hours, VET structures and welfare policies for youth) and how these affect youth employment. The above dimensions of the employment relationship have been targeted as a top priority of reform under the Memorandum of Understanding (MoU) that Greece signed with its creditors. Significant changes have been introduced unilaterally by the government (with the support of the Hellenic Federation of Greek Enterprises – SEV), nullifying collective bargaining agreements. In this vein, securing the labour market position of young workers is considered in the light of increasing deregulation, without security though (hence the term “flexicurity”\(^2\), used in this case, in contraposition to the discourse on “flexicurity”). Given the meagre protection of young workers entering the labour market even before the crisis, the MoU instigated reforms have further aggravated the conditions that in comparative studies are defined as a “sub-protective” STW transition regime in Greece (Walther & Pohl 2005).

On the basis of the common template on the major themes to be studied under WP4/Task 1, we conducted fourteen in-depth interviews (twelve in Athens and two in Thessaloniki) with policy experts, policy officials and researchers with a good grasp of youth labour markets and school-to-work transition issues (for the profile of the interviewees see Methodology in the Appendix). The interviews were recorded and transcribed, and a basic content analysis was undertaken. The findings are discussed against the background of youth unemployment trends and a critical review of the available literature.

Lastly, it is important to stress that, at the time of writing this report, the new coalition government between the party of “the Coalition of Radical Left” (SYRIZA) and a small, right-wing party (“the Independent Greeks”, ANEL) -which emerged after the 25th January elections-, promised to reverse deregulation. This, once more, brings Greece to reform crossroads.

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2. Dynamics of policy change/innovation: the macro-level perspective

2.1 Governance, socio-economic structure and the salience of youth unemployment

Most of the responsibilities for policy design and delivery in the areas of employment, education, training and social policy pertain to the central government, and a top-down process is followed. Hence channels of change/innovation go mostly through central government authorities. Labour market policy measures are designed by the Ministry of Labour and are implemented by the main employment agency, the Manpower Employment Organisation (OAED). Some programmes are also implemented by certified private employment agencies and vocational training centres under contract with the Ministry of Labour.

Such a high degree of concentration of powers and responsibilities in the central services of the relevant Ministries indicates a marginal role for regional and local authorities in policy planning and management. It also hardly facilitates response to local conditions. The prevalence of an “excessive” bureaucratisation constitutes the other side of a high degree of centralisation of decision-making and programme management, in tandem with a formalistic/legalistic tradition. In parallel, horizontal cooperation between Ministries (e.g. the Ministry of Labour, the Ministry of Education, the Ministry of Agriculture etc.) in the planning and implementation of training and labour market integration programmes has been rather weak. These conditions run counter to effective management.

Social dialogue and consensus-building among relevant stakeholders (state agencies, employers associations, trade unions, educational institutions and others) over policy-making have traditionally been weak in Greece. As pointed out by the interviewee from the Federation of Industries of Northern Greece (SVVE):

“Institutionally, public debate is a requirement for designing policy –e.g. for VET- by the government authorities. But, as is usually the case, this is a “token” dialogue. In the beginning there is enthusiasm, but debate quickly degenerates, and the state bureaucracy takes decisions that it would have taken anyway“.

The bailout deal and ensuing structural reforms have dealt a serious blow to the weak social dialogue (social partners and, often, democratic procedures have been bypassed), and have fuelled disappointment and mistrust. Repairing these conditions is of utmost importance. The need for
stakeholder engagement (employers association, trade unions, educational authorities, regional/local authorities, along the lines of the so-called “triple helix” model\(^3\)) in developing policy agendas (and experimenting with new policy tools) based on actual needs and aspirations was repeatedly raised by most of the interviewees. Yet, initiatives remain utterly limited and tied to EU-funded programmes (e.g. a project, in-progress, aiming at an integrated package of actions through networking and cooperation between academic institutions, the business community, governmental authorities in Greece and Bulgaria, so as to support start-up businesses by about 200 young graduates in both countries).

The barriers to collaboration due to the high degree of centralisation were also stressed by some interviewees with regard to locating the most disadvantaged youth (which, for instance, is a requirement for the effective implementation of the Youth Guarantee). However, it is at the level of local actors’ networks that the hard-to-reach NEETs can more easily be identified. Outreach activities should be a joined up approach where the Public Employment Services (PES) work with youth organisations, local authority services, public health bodies and others. OAED officials consider the possibility of drawing lessons, in this respect, from effective peer countries’ policies, in the context of the “Mutual Learning Programme” of the European Commission (e.g. the PES to PES dialogue on cooperation with schools for informing students about the labour market, on closer collaboration with employers, etc.; see OAED 2013: 12). But so far, no significant development in decentralisation and networking has been recorded.

### 2.1.1 Obstacles to / enablers of innovation

The obstacles to change and innovation loom large in the respondents’ answers. According to interviewee “A” from OAED, the obstacles to effective change derive from an “opportunistic, clientelistic and short-sighted” approach to employment policy. He clearly stressed the absence of tailored policies to the needs of the disadvantaged young unemployed. The standard policy so far has been “to divide funding for a specific programme into two or more identical sets of measures addressed to different cohorts of the unemployed, e.g. 15 to 29 years and 30 to 64 years”. There is hardly any consideration of “how to link education and work”.

Although OAED is partly funded by the social partners, who also participate in its Governing Board, it does not operate as an independent organisation. Policy priorities and programme details are dictated by the Minister of Labour. OAED’s strong dependence on ministerial decisions “fosters clientelistic relationships”. These take the form of programmes announced during an election campaign by the

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\(^3\) That is, a dynamic interaction between actors in three major institutional fields (education, industry and government) that can offer important insights for innovation and job creation (the triple helix perspective is based upon the premise that “the most favourable environment for innovation is created at the intersection of these spheres”, see Ranga & Etzkowitz 2013: 239).
main parties for their respective clienteles. The latter expect the fulfilment of the promises, along clientelist lines, when the specific party comes to power. Strongly linked to this practice is also the high degree of centralisation in the functioning of OAED, despite the rhetoric in favour of a more decentralised mode of management and operation. Even issues of minimal importance, like for instance the renewal of an expired unemployment card are often brought before the Governing Board and are dealt with in a clientelistic manner: namely, local politicians affiliated to the governing party mediate in favour of (potential) voters. Programmes are designed so as to respond to different groups of party clienteles rather than to labour market well-documented needs and OAED’s implementation capacities.

Another issue repeatedly mentioned by most of the respondents is the absence of a culture of collaboration between social partners, public authorities, businesses, educational organisations, youth representatives and others. For instance, regarding the drafting and implementation of the National Qualifications Framework, the respondents from CEDEFOP stressed the need to improve governance through collaboration between all of the above mentioned bodies, at both the central and the regional/local level. The CEDEFOP interviewees also indicated that problems are compounded by:

“the “known deficiencies of the Greek public administration, namely, poor organisation, rigidity, having the wrong people in critical positions, and great fluidity, as any changes in government are accompanied by meaningless changes of personnel at all levels of administration”.

The respondents from the National Youth Council (ESYN) and the Greek General Confederation of Labour (GSEE), as well as the employment policy experts from the Centre of Planning and Economic Research (KEPE), the National Centre for Social Research (EKKE), Panteion University, and the Euroconsultants⁴, whom we interviewed, expressed strong doubts about the management capacity of OAED for implementing the Youth Guarantee (YG) programme. However, they indicated that the YG can provide an opportunity for experimenting with a more decentralised management structure. Though, admittedly, government authorities have not gone further than paying lip service to decentralisation. Yet, assessing skills and workforce development needs at the regional/local levels is deemed highly necessary by the above interviewees for the successful implementation of the YG.

At a macro-level, the interviewees from the Greek General Confederation of Labour (GSEE) and from the Hellenic Confederation of Professionals, Craftsmen and Merchants (GESEVEE) argued that a major obstacle to effective innovation in labour market policies lies in the “wrong diagnosis” of the problems by government authorities:

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⁴ A Group of Companies Providing Consultancy Services on Innovation and Technology
“At the EU and national level, debate has been dominated by the view that mismatches between qualifications and skills constitute the major cause of unemployment. So, the whole strategy to combat youth unemployment is based on this assumption, from which follows the emphasis on training, internships, lifelong learning, and similar practices, in parallel with increasing employment flexibility. However, this assumption is utterly wrong. For example, in Greece, there is no empirical evidence supporting the assumption that the very high unemployment rates are the result of lack of appropriate skills. The major problem then, is that we provide a ‘medicine’ to heal a disease for which we initially made an incorrect diagnosis. The dominant debate turns a macro-economic and social problem –namely the lack of jobs- into an individualised problem, that is, the lack of practical and personal skills for finding work” (GESEVEE interviewee).

Moreover, the “wrong diagnosis” has a doubly negative effect. It not only leads to ineffective measures for solving the problem. It further aggravates it, as the measures implemented gradually displace regular employment by a cheap labour force of apprentices and trainees. On the other hand, the interviewee from the Federation of Industries of Northern Greece (SVVE) supported the mismatch argument, and assigned the low effectiveness of measures combining work experience with increasing labour market flexibility to the conditions of an exceptionally deep crisis. These views clearly indicate two opposing discourses on labour market reform: a neoliberal discourse supported by representatives of large industries (along the lines of the bailout deal stipulations) and ministry officials; versus a social-democratic discourse that strongly opposes the dismantling of labour protection and the increased emphasis on ALMPs that tend to substitute regular workers by “flexible” young trainees. A “third” paradigm, that of “flexicurity”, prominent among policy experts in some EU countries, as well as at the EU level, was not mentioned by our interviewees.

2.1.2 Aspects of the political/policy environment that are conducive to policy transfer (best practices, benchmarking etc.)

Most importantly, the bailout deal has strengthened centralisation. Many decisions on labour market reform were enforced by the creditors through the MoU (see below). Consultation practice in policy-making was weak even before the crisis. Yet under the MoU, it has turned into a “token gesture”. Commenting on this issue, the GSEE interviewee strongly emphasised the top-down process of reform, with the government and the “troika”, under the bailout, playing a central role and even trespassing parliamentary procedures. Similar views were also expressed by most of the respondents.

We could summarise the various channels of policy influence/learning and transfer, referred to in the interviews, as follows:
(a) “Coerced transfer” (imposed by the bailout deal) as well as “reforms” directly tied to “EU hard law” and/or to requirements for accessing EU funding (e.g. under the National Strategic Reference Framework, the Youth Guarantee and other programmes).

(b) Systematic expert knowledge provided by the “Task Force” and by specific missions by international organisations (OECD, IMF, ILO, WHO and the World Bank) for “assisting” Greece to deliver the EU/IMF structural adjustment programme.

(c) “Experimental emulation” of policies through bilateral agreements of cooperation (e.g. the currently undergoing VET reform on the basis of a German-Greek agreement for the provision of expert knowledge on the dual system).

(d) “Softer” forms of learning, such as the peer reviews under the “mutual learning” programme of the European Commission and other bilateral or multilateral exchanges of expert knowledge in the EU and other international networks and fora.

Impact weakens as we move from “hard” to “softer” forms of influence - that is, from (a) to (d). The expert channels through the “Task Force”, which was formed under the bailout deal, are of crucial importance. The “Task Force” consists of European Commission officials and national experts seconded from member states' ministries with the task to provide technical assistance to Greece in order for the country to deliver the EU/IMF structural adjustment programme. Also, over the last few years, specific missions by international organisations (OECD, IMF, ILO, WHO and the World Bank) have provided expert knowledge and assistance on specific reform areas (labour market, social security, healthcare etc.). Following in the footsteps of the previous government, the new coalition government of SYRIZA and ANEL, has, again, turned to OECD for expertise on enhancing the efficiency of labour market policies (and structural reforms in the economy and public administration).5

Regarding policy reform in the context of top level bilateral agreements, the German-Greek VET cooperation agreement between the Federal Ministry of Education and Research and the Greek Ministry of Education constitutes a key example. It is a top-down policy learning channel. Under this agreement, five feasibility studies were carried out on the introduction of company-based training structures in Greece. These prepared the ground for the launching of five pilot cases in different localities, with the aim to develop partnerships between state and non-state stakeholders, which will implement the training of young people as a joint task. The plan aspires to improve apprenticeship and training by pooling and coordinating the learning venues of the companies and vocational schools involved in these pilot projects.

5 Advice and support draws upon the so-called “tool kit” designed by OECD for the reforms required of Greece by the international lenders. In section 3, below, we discuss in more details the labour market reforms imposed by the bailout deal.
Assessing “softer” forms of policy learning (OMC, peer reviews, expert advice etc.), interviewee “A” from OAED focused on the organisation’s inertia to change. The so-called re-engineering of OAED provides a striking example of “blocked” reform. This is a project that started before the eruption of the crisis with the aim to improve efficiency in labour market policy implementation and in vocational education and training. Over the last few years, expert advice has intensified. Even though, it was planned that in 2014 twelve experimental Employment Promotion Centres (KPAs) would start implementing a comprehensive approach to tackling unemployment, only one such centre in Athens launched an experimental approach as late as in September 2014.

Our interviewee argued that any efforts in the distant and recent past to improve the organisation’s efficiency either have been deficient in their design or have never been fully implemented. The KPAs were established in 1996 (Law 2434) in order to promote a “comprehensive approach” to the unemployed (comprehensive assessment of individual needs through profiling and drafting of an individual action plan to strengthen basic skills, training and active inclusion). After a decade, Law 3518 (of 2006) envisaged the modernisation of employment services with the creation of “one stop shops”, decentralisation of services, more efficient matching of skills to jobs and development of activation. However, progress has been poor, and KPAs have turned out to simply record unemployment, issue and renew unemployment cards. Failure to fulfil the functions for which the KPAs were initially formed was also emphasised by the interviewee from Panteion University (a university professor on labour economics). Among the reasons given are the government stranglehold on OAED by the clientelistic practices pursued, and the lack of well-trained human resources - a problem that has strongly accentuated during the crisis, particularly under dramatic cuts imposed by the “troika”.

With respect to the “experimental transfer” of the dual system in Greece, the interviewees from SVVE and OAED (interviewee “B”) consider it a policy change that may strengthen the social recognition of VET qualifications. On the other hand, the interviewees from the trade unions confederation (GSEE) and the confederation of self-employed and small businesses (GESEVVEE) staunchly oppose to the dual system. According to the interviewee from GESEVVEE:

“The fact that the dual system is effective in keeping youth unemployment low in Germany or in Austria does not mean that it can work in Greece too. We cannot dissociate the system from the specific historical conditions under which it was established in a particular country, and from its interdependence with other social practices and institutions, such as industrial relations, collective bargaining, the welfare state and labour markets prevailing in a country….. Specifically in our case, it is wrong to believe that the transfer of the German apprenticeship system in Greece will result in an automatic reduction of youth unemployment. The danger is that in most cases apprentices will

There is only one KPA (in Athens) specialising on guidance and support to young job seekers.
replace regular (full-time) workers and this will be disastrous….In Germany, the VET system is driven by a tripartite cooperation that has a solid basis. Moreover, skill development through tripartite partnerships empowers the unions; it has even functioned as a defence of organised labour against neoliberalism in Germany. The transfer of the same system in Greece may prove catastrophic. Normally apprenticeship is an educational activity and should combine paid and insured work, complying with labour regulations, with educational standards, objectives and programmes. These requirements do not seem to exist in Greece, where apprenticeship is treated as ‘covered policy for cheap labour’, without any security, and also without guaranteeing the development of the trainees’ professional knowledge and skills.”

2.1.3 Youth unemployment: a structural problem in Greece long before the eruption of the crisis

All interviewees stressed that youth unemployment was comparatively high in Greece even before the eruption of the crisis (see Figure 1). In 2007, the unemployment rate for young people below 25 years stood at 22.9% (corresponding EU-28 average 15.7%). After six consecutive years of deep economic recession, it increased to a dreadful 58.3%, in 2013 (EU28 average 23.4%). The crisis has also exacerbated long-term unemployment. According to data obtained from ELSTAT, in the third quarter of 2014, among those aged 15-24 years, about 60% were unemployed for more than a year, while among young people in the age-bracket 25-29 years 68% were long-term unemployed.7

**Figure 1 Unemployment rate by age group**

Strikingly, when labour demand was dynamic, unemployment was particularly high among young people with upper secondary and tertiary education (about 20% in the mid-2000s, double the rates for

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7 Long-term unemployment is an acute problem also for prime age jobless people (73% of unemployed aged 30 to 44 years and about 80% of those aged 45 to 64 were long-term unemployed in the fourth quarter of 2014). ELSTAT data electronically accessed at [http://www.statistics.gr/portal/page/portal/ESYE/PAGE-themes?p_param=A0101&r_param=SJO01&y_param=2014_04&mytabs=0](http://www.statistics.gr/portal/page/portal/ESYE/PAGE-themes?p_param=A0101&r_param=SJO01&y_param=2014_04&mytabs=0) on 10 April 2015.
both EU15 and EU28, regarding youth with tertiary education level). This reflects institutional rigidities / weaknesses in STW transitions as well as education/labour market mismatches. On the other hand, in the Europe-wide PISA test scores of literacy in reading and mathematics, Greece exhibits a comparatively higher share of low achievers. Moreover, performance in these tests fell between 2009 and 2013 (Pouliakas 2014: 7).

The structural causes of persistently high youth unemployment, stated by our interviewees are summarised as follows: (1) Mismatch between educational qualifications and jobs. This is due to a degree structure that orients graduates to the public sector (mostly as teachers and public administrators), which, however, since the late 1990s has been under pressure to decrease its size. (2) Reliance on family support during a prolonged period of trying to enter the labour market and until young graduates could find a job that fulfills their expectations. However, the ability of the family to provide support to its young members has significantly weakened during the crisis. And (3), for those at the higher end of educational attainment, inability of businesses to provide jobs that require high qualifications. The failure of ALMPs was another factor mentioned (i.e. the low efficiency of OAED in matching vacancies and jobseekers and in providing adequate counselling and on the job training). This is corroborated by the comparatively very low spending on ALMPs in Greece until recently (according to OECD data, this stood at a tiny 0.22% of GDP in 2010, in Greece). Moreover, some of our interviewees questioned the quality of vocational training programmes that have been provided by the (private) Centres of Vocational Training (KEKs). As two interviewees put it, in Greece, supply of training has persistently been driven by the availability of EU funding rather than by the businesses' expressed needs. Also, often, active measures substitute for the meagre income support to the unemployed (as very few unemployed are eligible for –the flat rate- unemployment benefit, and additional social assistance is unavailable).⁸

Given that the economic collapse has hit the entire labour force, youth unemployment (for the age group 15 to 24 years) as a share to total unemployment has fallen considerably. Nevertheless, the decline in the salience of youth unemployment started much earlier than the “Great Recession” and the following sovereign debt crisis. In 1998, the share of the young unemployed to total unemployment stood at close to 40%; it declined to about 20% in 2008, and fell further to 13% in 2013.⁹

Unemployment was on the rise during the 1990s. This was the combined effect of de-industrialisation, the continued shrinking of the agricultural sector, women's increasing engagement in the labour market, the rising number of immigrants, (formal) labour market rigidities and low competitiveness in the markets of goods and services (Mitrakos and Nikolitsa 2006: 10; Lymberaki

⁸ A minimum income guarantee scheme was introduced in November 2014 on a pilot basis (see below).
⁹ The corresponding share for the age-group 15 to 29 was about 30%.
long-term unemployment among the young (15 to 29 years), from about 40% in the period 1990-94, increased to 53% in the early 2000s. These indicate that youth unemployment has been a structural problem for a long time with cumulative effects over time, as young cohorts get older.

Nevertheless, all respondents stressed that, since the eruption of the crisis, Greece has faced an exceptional situation with unemployment being widespread to all working-age groups. Hence unemployment among the young below 25 years of age is a relative rather than an absolute problem, compared to other European countries (e.g. UK and Netherlands) where this age-bracket of young people faced an adverse selection effect during the Great Recession.

Figures 2 & 3 present the structure of youth unemployment in Greece (for the 15-24 and the 25-29 age-groups) disaggregated by gender and level of education between 2008 and 2013. At the time of the eruption of the crisis, in Greece men with up to secondary level education (in both age-brackets) experienced rather low unemployment compared to the EU28 average. This group has been hit particularly hard by the crisis. Between 2008 and 2013, the rate of unemployment among men in the age-group 15 to 24 years, with up to secondary level of education quadrupled, while it increased even more among those in the age-group 25 to 29 years with the same level of education. This is mostly due to the collapse of demand in the sectors of construction, manufacturing and retail trade (were activity fell by 70%, 26% and 34% respectively, between 2008 and 2013- data obtained form ELSTAT).

Women exhibited higher levels of unemployment than men at all three levels of education and in both of the above age-groups even before the crisis. Particularly regarding educational attainment up to secondary (and post-secondary, non tertiary) level, the rates of unemployment among women were double those of men (mostly in the age-group of 24 to 29 years). The crisis has aggravated unemployment among women, but the gap with regard to men has diminished. This is because of the rapid rise of unemployment among young men of both age-brackets, rather than because of an improvement in women’s employment conditions.

The unemployed of the age-group 25-29 years is of significant concern, because in absolute numbers it is a larger group (220,900 young persons, in the end of 2014) compared to the unemployed 15 to 24 years (150,000). Moreover, the rate of NEETs in the former group is significantly high (42%, compared to 20% in the age-group 15 to 24 years). When the crisis hit, those who are today 24 to 29 years were at the point of making the transition from school to work, but faced significant difficulties. This “cohort effect” may again be replicated for those aged 15 to 24 years (if the economic recession continues) with a scarring impact on the future employment prospects of a significant

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10 The share of NEETs in the population 15-29 years increased steeply since the eruption of the crisis (it doubled from 2008 to 2013).
number of the young and prime age population.

Figure 2 Youth unemployment by sex and level of education attained (15 to 24 years, 2008-2013)

Source (Figures 2 & 3): Eurostat, Labour Force Survey (LFS)
Note: [M, males; F, females / Levels 0-2 = less than primary, primary and lower secondary; Levels 3-4 = upper secondary and post secondary non-tertiary; Levels 5-8 = Short cycle tertiary, bachelor or equivalent, master and doctoral or equivalent]
At the backdrop of these trends, both the GSEE and GESEVEE interviewees stressed that there is no shortage of skills in Greece. Rather the Greek economy and businesses have limited skill-needs and cannot absorb the high-skilled young workforce. In addition, our GSEE respondent indicated that if there were a supply-side problem (namely, a shortage of skilled labour force) the phenomenon of “brain-drain” would not have emerged. It is estimated that about 200,000 persons younger than 35 years have left the country and are currently employed abroad (Endeavour-Stavros Niarchos Foundation, 2014). These are skilled and highly educated people pursuing a career mostly in EU countries (70% of them), and in sectors such as medicine, finance, engineering and high-tech.

### 2.1.4 Employment structure and trends in skill demand

During the 2000s and until the eruption of the crisis we observe a polarisation trend in the employment structure, as the share of the working population at the middle rungs of the occupational distribution has decreased, though at a much lower pace compared to other EU countries (see Pouliakas 2014). There has been an increase in the employment of professionals (35%), technicians and associate professionals (43%) and managers (11%), as well as an increase in demand for workers in elementary jobs and for service and market sales workers (ibid.: 8). Yet, prolonged unemployment after graduation, despite increasing demand for people with higher qualifications during much of the 2000s, indicates a chronic skills mismatch. According to the 2009 Eurostat ad hoc STW transition survey, the average time needed by young Greeks (15-34 years of age) to find their first “significant” job was approximately 13.1 months (double the EU27 average). Moreover, about a third of young people stated that they found their first significant job only after 4 years (Pouliakas 2014: 11).

Another study by Mitrakos, Tsakloglou and Cholezas (2010), based on labour market data for 2004-2007, found that unemployment among tertiary education graduates may be comparatively high in the years following graduation, but “drop to acceptable levels” a few years after. While among young people with less than tertiary education “the pace of this decline is substantially slower and unemployment rates converge to higher levels” (p. 33). Karamessini et al. (2007: 33-35) present similar findings for graduates of an earlier period (1998-2000): five to six years after graduation roughly about 84% of graduates had entered the labour market. But close to 30% of them were found to be precariously employed.

The crisis has further exacerbated the qualifications mismatch. The share of university graduates taking up jobs requiring low educational qualifications has significantly increased. According to a study by CEDEFOP (2012), Greece (together with Spain) exhibits the highest share in the EU regarding the workforce affected by qualification mismatch (approximately a fourth of the Greek employees between 24 and 64 years of age). The reference by the interviewee from EKKE to a recent advertisement of job vacancies for experienced waiter/waitresses in a luxury hotel in Athens,
which requires applicants to have a university degree, most tellingly illustrates a major bottleneck regarding low skilled jobs and rising over-qualification.

Interestingly, despite high unemployment, roughly about a third of employers reported hiring difficulties, according to OAED (2013). The incidence of reported shortages concerns medium-skilled jobs (e.g. clerks and sales personnel) and higher skilled occupations (e.g. IT services, finance professionals and engineers). Notably, it is medium to small-size firms that report hiring difficulties, and in most cases, this is not due to innovative trends requiring new skills. Rather it reflects the reliance on casual labour by these firms (working irregular hours, working on a temporary basis etc.). In this respect, our interviewee from GSEE indicated that even though employers often complain about the lack of qualifications, they seldom clearly specify what kind of qualifications they require.

On the other hand, the representative of the Association of Greek Tourism Enterprises (SETE) stressed the preponderance of a bifurcation in the tourism job market:\footnote{The tourism industry accounts for about one sixth of the annual GDP in Greece.} an increasing demand for low-skilled jobs where immigrants compete with native workers, in tandem with a demand for some high skilled occupations, especially in e-commerce and online marketing, where shortages are ascertained.

Under these conditions, debate among stakeholders on the expansion of skills supply as a trigger of changes in product markets and in the firms’ competitive profile is almost non-existent.

\section*{2.2 The policy learning framework}

\subsection*{2.2.1 Policy learning in the “political/policy” agenda – “Developers” and “facilitators” of innovation: the channels of policy influence / policy diffusion}

EU influence is an important “external” factor of change. EU instigated policy initiatives and programmes, and funding from the EU structural funds have for a long time constituted a main channel of developing new policy measures. Nevertheless, “reform pathologies” and “path dependency” have been highly evident until recently. For instance, even though the idea of promoting a more diversified mix of passive and active labour market policies has been embraced by policy-makers and politicians since the late 1990s, no significant changes were recorded until the late 2000s. Also, as stressed in an OECD report on jobs for youth (2010: 157): “none [of the previously implemented] activation programmes…..has been the object of a rigorous evaluation and even data on participants’ outcomes upon programme completion are rarely available.”

Most of the interviewees emphasised the significance of external triggers. But they also pointed up the problems in accommodating externally instigated programmes (and new experience) and adjust policies accordingly. Triggers are considered to be mainly the EU policy priorities and programmes,
as well as policy advice from other international organisations (OECD, ILO, IMF, World Bank). Over the last few years, crucially important “triggers” of reform stem from the bailout deal, in the form of enforced change (e.g. for increased flexibility in the labour market, dismantling of collective bargaining, individualisation of contracts etc.).

New programmes are introduced because of the availability of relevant EU funding (e.g. for training that prompted the establishment of KEKs for running such programmes), rather than as a response to national/regional labour market needs and policy initiatives. This accounts for the “path-dependent” way in which new programmes are accommodated in the national setting. The employment policy experts whom we interviewed stressed that, often, in-firm training programmes are regarded by employers and employees as simply a top-up “benefit” to wages rather than a means to improve skills and productivity. National policy priorities are widely aligned to EU-level programme priorities (for accessing funding by the EFS and other structural funds), and change is driven by EU policy decisions. As the interviewee from the Centre of Planning and Economic Research (KEPE) aptly put it:

“Youth unemployment was comparatively high even before the crisis in Greece. Yet the issue gained salience lately, mostly as a consequence of the priority assigned to tackling youth unemployment by the EU in the last few years.”

In a similar vein, the interviewee from EKKE stressed that:

“It is the EU Youth Initiative that brought to the fore the issue of targeting active measures to the young unemployed in Greece”.

However, often, alignment to EU policy priorities is formalistic. According to interviewee “A” from OAED, Greek authorities view the EU programmes as the main channel of reform, but implementation takes place hastily without proper planning and adjustment to the national and local conditions. When the aim is simply to absorb available funding without concern about effective reform, many problems arise. Regarding the re-engineering of OAED (which has been on the agenda for some years, as mentioned above), the interviewee referred to the close collaboration of OAED with relevant organisations in Sweden, Germany, France and the United Kingdom and the experience and knowledge provided by these countries that have achieved impressive “good practices”. But, so far, “transfer of knowledge has been on paper”. As our interviewee stressed, the “introvert behaviour” by the Greek authorities (and OAED management) makes them “not amenable to learning” (“they act like the ‘know-it-all’”).

The establishment of the Employment Promotion Centres (KPAs) under the auspices of OAED, at the turn of the century, constitutes a major development influenced by EU initiatives and funding. These were designed with the aim to provide vocational counselling, guidance and job search support. Yet as indicated by most of our interviewees, the initial aim for the KPAs to provide comprehensive
services and develop individualised support and activation plans has hardly been realised, among others, due to lack of sufficient trained personnel. As stressed by interviewee “A” from OAED, the ratio of OAED’s employment advisors to registered unemployed is 1 to 1,000, while the average among EU countries is approximately 1 advisor to 100 unemployed. Fragmentation of interventions at the local/regional level remains high, welfare benefits provision (if applicable) is not systematically linked to activation conditions (including young people); while a minimum income cum social (and labour market) integration scheme is at an incipient stage.

The interviewee from GSEE focused on the fact that, at the EU high-level of policy formulation and decision-making, core EU countries have a stronger say, setting up policies that fit their needs and priorities. He was highly critical of policies promoting apprenticeship-traineeship and mobility of human resources, on account that “investment” on human resources often does not have a return for Greece, given the increasing migration flow of educated young Greeks. Contrarily, such policies lead to manpower shortage in the country that hampers economic recovery. Hence, he considers “policy learning” and “import of innovation” from the EU instigated programmes a negative factor. In his view, extensive reliance on EU policy priorities could be a stumbling block to effective “innovation”, in the sense that new ideas not fitting the eligibility requirements of EU programmes can hardly ensure financial support either from national or other sources.

The views of most of the interviewees corroborate the arguments raised by a sizeable literature on the deficiencies of planning processes in Greece (see among others Sotiropoulos 2004, Petmesidou 2006, Featherstone 2008, and Monastiriotis and Antoniades 2009). These are accounted for by: the fragmentation of organised interests and the tradition of statist-clientelist political exchanges; the weak social dialogue and consensus building processes; and the “path-dependent” implications of these socio-political characteristics on reform efforts during the previous decades. Barriers to innovation could, thus, be summed up as a “failing reform technology” in the country, or in other words as absence of a (more or less) systematic process of evidence-informed policy making, particularly regarding what Hall (1993) defines as “first- and second-order policy changes”. 12

As our respondent from Panteion University indicated, “the EU provides copies, exerts influence and imposes commitments”. All these constitute the dominant channels for new programmes. But for these to yield results in terms of effective policy innovation in Greece, substantial changes in institutional settings and policy processes are required that need to draw upon a thorough knowledge of the Greek reality.

12Monastiriotis and Antoniades (2009) aptly describe reform processes in Greece as “reform activism with little change in policies and outcomes” (p. 3), and Greek reform pathologies as “non-evidence-based policy” and “design without knowledge” (p. 12).
In the same vein, a number of our respondents picked up as an example of a “wrong policy transfer” the ongoing VET reform for establishing a dual training system. As mentioned above, this is a reform in-progress. It is being designed and experimented in the context of a bilateral agreement for cooperation between Greece and Germany, with the aim to identify the conditions and potential areas for the establishment of vocational training based in companies and schools, in Greece, and activate cooperation between all relevant stakeholders. This is considered a “copying” process deemed to have low effects on improving VET and ensuring that this will provide real opportunities for young people. The reasons given by the respondents are the following: (1) The very small size of firms (about 96% of firms have 0 to 4 employees), which raises doubts as to the quality of training. (2) The absence of an in-firm training culture and of a clear demarcation and accreditation of skills acquired. (3) The lack of commitment by enterprises with regard to the governance, funding and implementation of the dual system. Most of our interviewees clearly contrasted these conditions to the apprenticeship tradition in Germany, where enterprises undertake a large part of the training cost and actively participate in standardising and monitoring the quality of training content. On the contrary, in Greece, training is largely subsidised by public funding, and firms are inclined to substitute regular workers with trainees – a condition highly criticised by most of our respondents. And (4), as strongly argued by the GSEE representative, even if vocational training became attractive to young people, it is highly likely that there would be no significant return for Greece on such an investment in human capital, given the draws on Greece’s skilled labour by North European countries via emigration.

The latter is a controversial issue though. In contrast to the views of the GSEE representative, the employment policy expert from KEPE expressed a positive view on partnerships with relevant organisations in other countries (e.g. Germany) so as to expand training opportunities for Greek VET students in firms abroad. He also referred to the possibility of a “regulated emigration” of young skilled persons who may stay connected with their country and consider returning if windows of opportunities will be available. Such a scenario could turn “brain drain” into “brain circulation”. However, this requires clear policy signals of Greece’s transition to an economy with innovation potential (see, for instance, Herrmann & Kritikos 2013).

To stress also here, that the dual system was introduced in Greece in the early 1980s by OAED in its vocational education schools. But the results in terms of instituting a networked system of apprenticeship governance at both the national and regional/local levels and increase attractiveness of work-based learning have been rather poor. Besides, as indicated by our interviewee from Panteion University, some large enterprises in Greece use the available EU and national funding for running their own KEKs (Vocational Training Centres), and in this way they benefit from a publicly funded channel for selecting personnel (though only a few of those attending training are finally hired). In addition, our interviewee from GESEVEE stressed that given the oversupply of young
workers with tertiary level qualifications to be hired with low wages, there is no incentive (particularly among small firms) to invest in vocational training.

Overall, on the basis of Dolowitz and Marsh’s typology (2000) the views of our respondents converge on a “copying” and/or “emulation” process (e.g. in the case of the dual VET system), assessing, however, the transfer as inefficient.

### 2.2.2 The central-local dimension – Peer-to-peer learning – Negotiated policy transfer

As indicated above, given the high degree of centralisation in decision-making and administration, initiatives for policy reform pertain mainly to the central authorities. Thus, we cannot identify any “regions”/“localities” that are drivers of “effective innovation” with regard to STW transition.

The above mentioned pilot projects (under the Greek-German cooperation) for developing company-based training have focused so far on surveying the current status of training in selected branches of economic activity with the aim to identify the potential for establishing new VET models based in companies and schools. A few pilot company-based courses are currently taking place in specific localities and in the fields of tourism, transport and logistics, renewable energies, construction and manufacturing. An “innovative” element of these projects is the attempt to incorporate into the survey all relevant stakeholders in the respective locality/region in which the project is carried out (including local government authorities, the social partners, the VET schools, the Vocational Schools Inspectorate, and labour administration bodies), so as to make use of the expertise of all of those involved (an issue stressed particularly by our interviewee from “Euroconsultants”).

The employers organisations involved in this German-Greek co-operation (the Greek-German Chamber of Commerce and the Hellenic Federation of Enterprises [SEV]) consider this endeavour as a possible trigger of peer-to-peer learning at the regional level (and/or of a “negotiated transfer”) on how to integrate and coordinate in an efficient way off-firm and in-firm education and training. However, piloting of this cooperation is still at an incipient stage. It remains to be seen whether this will have a positive effect on local initiatives in policy learning.

### 2.3 Outputs from policy learning and policy change (incremental adjustments, changes in policy instruments, radical changes)

Since the early 2000s, influence from EU policies (through the OMC, benchmarking and the requirements of funding from the ESF and the other EU structural funds) has been significant and has led to a raft of changes. But, as repeatedly stressed by most of the respondents, these have more or less been accommodated in a path-dependent way and, thus, have hardly produced any radical changes in policy goals and the overall policy machinery (Hall’s second and third-order change).
The concept of “layering” (see Streeck and Thelen 2005) as a gradual institutional transformation in which new elements are attached to existing institutions, prompting, thus, a gradual change in structures and processes, might be more useful. It could be of value regarding the gradual reform of vocational education in Greece with the institutionalisation of practical training across all types of (secondary) vocational schools and the need for standardising qualifications. Incremental changes in the design and implementation of VET, with substantial collaboration between all the major stakeholders at the local/regional level, may add up to a new institutional configuration regarding STW transition. Yet, it is too early to draw any conclusion.

Also, the Youth Guarantee programme (whose launching is still pending)\(^\text{13}\) provides an opportunity for a significant policy breakthrough (Coquet 2014; Petmesidou and Polyzoidis 2014). Given the requirements of increased coordination between the agencies involved in its design and implementation, so as to develop a comprehensive approach combining effective activation with individualised plans for labour market entry, it could be an experiment in tackling some of the “reform pathologies” briefly mentioned above. It could be a step forward: in reinforcing monitoring and analysis that feed into the policy process; in addressing the “guidance” challenge (albeit, OEAD, demonstrably understaffed, risks to be unable to deal with); and in raising the effectiveness of vocational and professional education (including formal on-the-job training) that so far has been rather limited. But as in the case of VET reform, such a potential remains on paper.

Most of our respondents expressed cautious optimism with regard to the innovative potential of the above programmes (including the interviewee from the Ministry of Labour, who is responsible for the management of the YG implementation plan). Unless the economy is put into a sustainably growing path that can stimulate labour demand, most of our interviewees consider activating schemes (training and apprenticeship programmes, counselling for job searching etc.) as a means of simply helping people to stay in touch with the labour market, rather than of effectively tackling unemployment.

Below we briefly summarise the points raised by the interviewees regarding major stumbling blocks to and opportunities for (effective) policy change:

1. Activation principles were introduced in the late 1990s – early 2000s. But public spending effort on ALMPs has been limited (compared to the OECD average) – Much lip service has been paid by the Greek authorities to the role of the “employment advisor”, to job-mentoring programmes for the unemployed, and to the development of Individual Action Plans. However, as mentioned above, none of these aims has been systematically pursued in practice. Moreover, programmes such as “vocational

\(^{13}\) A new round of the programme “voucher for entry into the labour market” that has recently been launched is considered as a first activity under the YGIP.
training” packages for the unemployed and the “voucher for entry into the labour market” most often than not function as substitutes to (unemployment) benefits, or (regarding the latter programme) as subsidised labour for businesses (or as put it by one interviewee: “they lead to the rise of working poor without social insurance rights”).

2. Interviewee “A” from OAED referred to the role of “employment advisor” as a successful innovation for an interactive process of support to the unemployed: “No ready made solutions are provided. Instead the unemployed person is offered an opportunity to realise his/her personal potential, address his/her weaknesses and explore opportunities”. He also added that evaluation reports filled by the unemployed express enthusiasm with this new policy measure. But implementation has been wanting. Nowadays, OAED organises the so-called “mobilisation workshops” for the unemployed (including the young unemployed), which also involve counselling, but they cover only a tiny percentage of young unemployed persons.

3. Mandatory counselling was also part of an entrepreneurship support programme for young unemployed up to 35 years that has already been implemented. According to interviewee “A” from OAED, the major weakness of this programme was the lack of funding that did not allow OAED to support larger scale entrepreneurial endeavours by cooperating young people who could become business partners and create larger and stronger companies.

4. On the other hand, according to the above interviewee, other programmes (also put in place through EU-funding), such as the Social Cooperatives of Limited Liability (KOINSEP), the Local Employment Pacts (TOPSA), and the Local Actions for Vulnerable Groups (TOPEKO) have not been particularly successful. The reasons given focus on the clientelist practice followed by the relevant ministries with regard to these schemes.

5. The re-engineering of OAED (for a long time advertised by successive governments in office) “rehearses” common sense issues that were proposed in the past but were never implemented. The pending restructuring of OAED can provide an opportunity for strengthening the role of the “employment advisor” and bring the comprehensive approaches to activation at the core of the organisation. But OAED lacks the human resources and infrastructure for effectively fulfilling such a function. The announced piloting a tailor-made and comprehensive approach is still at an incipient stage. According to interviewee “A” from OAED the main predicament policy-wise is the lack of strategic goal by OAED and the Ministry of Labour.

6. The CEDEFOP interviewees indicated as a positive aspect of Greece’s participation in
EU-funded programmes the fact that some steps are made in promoting cooperation between the social partners and other stakeholders. These programmes require structured public debate as a condition of funding. Stakeholders tend increasingly to sit at the same table and have a dialogue so as to achieve consensus and form common proposals and goals.

7. The development of the dual system in vocational education in Greece, as an externally induced policy innovation, constitutes the focus of most of the interviewees, as already mentioned. Two policy experts, as well as the representative of GSEE, strongly indicated the negative aspects of “copying” policy instruments and arrangements that are considered successful in keeping youth unemployment low, in some North European countries. Our interviewees from Panteion University and GSEE even question the so-called “benchmarking” strategy at the EU level that sets policy blueprints irrespective of the economic structures and the overall institutional setting in each country.

8. Interviewee “B” from OAED referred to the pilot apprenticeship programmes run in collaboration with the respective German authorities in a few localities in Greece (e.g. in Crete, in the context of this partnership, OAED operates programmes in the field of tourism: with school-based training during the winter, and training in hotels during the summer; the programmes satisfy international accreditation standards for the respective skill specialisations). However, it is too early to assess the innovative impact of these pilot schemes.

In a nutshell, a two-fold focus emerged from the interviewees. On the one hand, a great emphasis was given to “external” influence (by the EU, other international organisations, initiatives and expert support by the Task Force, bilateral/multilateral collaborations with relevant authorities of other EU countries, etc.) as a main “trigger” for introducing new programmes and measures, with moderate success so far, however. The crisis may provide a “window of opportunity” for introducing major reforms: e.g. in VET, with the piloting of a few “joint interventions” of course- and company-based training; and in OAED, with the piloting of integrated interventions (part of OAED’s re-engineering programme that, however, has been dragging on for years).

On the other hand, various “reform pathologies” were stressed as “barriers” to effective reform. The grip of clientelistic politics over institutions and programmes regarding labour market integration is considered to create a strong path-dependence of non-evidence-based policy. The absence of a culture of collaboration among social partners is another facet of the same coin. Meagre support to the unemployed (see below) has persistently blurred active and passive measures, by reducing the former into an additional income benefit and marginalising the activation element. Moreover, under
conditions of a deep and protracted crisis, even well-designed and implemented ALMPs could hardly work effectively in practice, due to the very weak labour demand. Last but not least, most of our respondents clearly indicated that no labour market policy breakthrough can be achieved, if the economy does not recover. Of crucial importance is also whether recovery will be sought along the trodden path of a “tourism-based economy supplemented by a food manufacturing”, or through a more robust industry structure based on a well-functioning innovation system (Herrmann & Kritikos 2013).

3. Policy change within and across institutions

The major planks of the Greek labour market reform under the “rescue-deal” are crucial in understanding the complex and drastically changing employment environment within which debate on youth unemployment develops. These embrace the weakening of employee protection and collective negotiations, government imposed cuts in the minimum wage, and increasing individualisation of contracts and flexibilisation of working life, over the last few years Petmesidou 2013; Petmesidou and Glatzer 2015). Below, we very briefly review these changes and discuss the interviewees’ comments. However, it must be borne in mind that the new coalition government, which was formed after the 25 January 2015 elections, has pledged to reverse most of the labour market changes introduced by the previous governments under the MoU.

3.1 Employment protection legislation and collective negotiations

Since the eruption of the crisis, successive legislation under the MoU significantly changed the rules governing industrial relations. Legislation boosted flexible and precarious employment, facilitated redundancies and reformed the collective bargaining system. These are considered enforced changes under the bailout deal, which seriously constrained collective negotiations. To the extent that national dialogue has been pursued, it has been confined to mandatory meetings, rhetorical statements, and conflictive (political) postures. Collaboration has been marginal, while any bilateral (and ad hoc) contacts between the government officials and social partners have hardly produced constructive results. Yet, as indicated by a policy expert assessing the Youth Guarantee Implementation Plan of Greece, developing cooperation, restoring confidence and experimenting on a “bottom-up” approach is crucial for the implementation of this programme (Coquet 2014: 11; see also Cholezas 2013 & 2015; and ILO 2014 on the need to rebuild social dialogue).
Moreover, most of our respondents argued that increased flexibility and sub-minimum wages for youth have not yielded any results in reducing youth unemployment. They also pointed out that employers transgress even the existing legislation for the reduced minimum wages (and sub-minimum wages for youth), and other aspects of employment protection. They do not pay wages and salaries regularly, there is a dramatic increase of non-paid overtime, and employers often do not abide by legislated hours and days of work. Uninsured labour increased between 2010 and early 2013: from 25% to about 40% in 2012 (among Greek natives it climbed from 22.6% to 34%, while among immigrant workers from 32% to 55%). But it decreased (to about 20%) in mid-2014, as a result of more intensive controls by the Labour Inspectorate and higher fines (Labour Inspectorate 2013).

The data provided by the Labour Inspectorate indicate an increasing flexibility in labour contracts. In 2011, the share of part-time and job rotation contracts to the total number of new appointments was 40%, in 2012 it increased to 45%, and further rose to about 50% in 2013 (Labour Inspectorate 2013: 65). Also, since 2010, a significant number of full-time contracts have been converted into part-time or job rotation agreements each year (either unilaterally by the employer or with the consent of the employee). The rate of conversion from full-time to part-time employment contracts slightly declined in 2013, but it continued rising for the conversion from full-time employment to job rotation (unilaterally imposed).

The MoU induced changes dismantled collective negotiations. Ensuing reforms facilitate enterprise labour contracts and individualisation of employment relations. In 2011, the administrative extension of collective agreements to parties not directly represented in the original agreements was abolished. Also new legislation lowered severance costs and introduced flexibility in the settlement of severance payments. In February 2012, a significant blow was dealt to collective agreements: the General Collective Agreement reached by the social partners in 2010 (and still in force at that time) was abolished by law, as did also the sectoral collective labour agreements. Legislation provided that from then onwards minimum wages would be set by law, nullifying thus the role of autonomous negotiation between the social partners. Moreover, a 22% reduction on the minimum wage was imposed and sub-minimum wages for youth. Regulations also embraced a pay increase freeze. Unilateral recourse to arbitration was banned, and the scope of arbitration was limited to minimum wage threshold per bargaining level (issues concerning allowances and a range of institutional aspects were removed from arbitration).14 By providing the ability for employment agreements to be drawn up at business level, even in very small enterprises, and by informal associations of workers, legislation under the MoU extensively dismantled collective regulation of working conditions. It also set up barriers to strike

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14 Some months ago the Council of State ruled the restrictions in arbitration as unconstitutional. However, it rejected the appeal against the entire spectrum of reforms seriously limiting labour rights. But the previous government only partly complied with the judgement.
and significantly weakened the role of unions (Petmesidou & Glatzer 2015; see also Dedoussopoulos et al. 2013).

As our interviewee from Panteion University put it:

“The role of the social partners has been utterly weakened and changed. From being collective representatives of the interests of their members and negotiators of work terms and conditions, they have become simply providers of services, such as information and advice, training courses, etc. to their members. This is a critical shift in their role that will have far reaching consequences.”

The Hellenic Federation of Enterprises (SEV) strongly supports the liberalisation of the labour market. Undoubtedly, a persistently large informal sector (estimated at about 25% to 30% of total GDP, see Schneider 2012; and Vassardani 2011) indicates a high degree of flexibility, even though labour legislation is considered rigid. As some trade union representatives claim, the crisis and the bailout deal provided an opportunity for Greek industrialists to expand flexibility to the formal labour market as well through a binding legal-institutional change imposed by the MoU.

However, as our interviewee from EKKE argued, so far, labour market liberalisation reforms, which (together with the liberalisation of closed professions, wage reductions and privatisations) are meant to improve competitiveness, have not had any significant effect in improving employment.

The new coalition government has pledged to reinstate collective bargaining and the arbitration framework that was in operation before the MoU stipulated reforms. Also, it promised to raise the minimum wage to previous level of 751 euros and abolish substandard wage for youth. However, stalling negotiations with the international creditors, and ambiguity as to the reform path under the bailout plan, have postponed the realisation of these electoral pledges.15

### 3.2 Unemployment benefit

The rate of the unemployment benefit is linked to the minimum wage rather than to the level of wage/salary of the insured before becoming unemployed. The 22% decrease in the minimum wage, legislated in early 2012, reduced also the rate of the unemployment benefit, from 430 to 360 euros per month (for up to 12 months). Strikingly, about 90 per cent of the unemployed receive no government support whatsoever. Take-up of a recently introduced extra benefit of 200 euros for the long-term unemployed (for up to 12 months) has been very low (1.5% of the registered long-term unemployed - data obtained from OEAD) due to highly restrictive eligibility criteria. For the young workers (20-29 years) entering the labour market, the only available support, is a meagre benefit of

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15 As recently announced by the Minster of Labour, restitution of the minimum wage may take place in two instalments (the first in October 2015 and the second in July 2016). Raising the minimum wage is supported by the trade unions and GESEVEE; but SEV believes that many industries cannot withstand the increase.
73 euros (for up to five months), provided that the young new entrants are registered as unemployed for 12 months. Indicatively, in 2013, only 4,800 young unemployed received this benefit (data obtained from OAED).

As stressed by interviewee “A” from OAED, despite the sharp increase in unemployment, the number of beneficiaries has significantly fallen. This is due to tightened eligibility criteria. While, in 2010, 40% of the unemployed were entitled to benefit, currently only about 10% satisfy eligibility criteria. 16

Subsidising transport costs for the unemployed has been on the agenda for some time, as many unemployed find it difficult even to use the public means of transport to look for a job. But no decision has been taken so far. In 2014, a new regulation came in force for expanding unemployment benefit provision to self-employed persons (insured under the Insurance Organisation for the Self-Employed, OAEE) who ceased their occupational activity (but are not eligible for pension, and if they are, they have not applied for it). The 360 euros benefit is provided for up to nine months depending on the number of years the unemployed has paid social insurance contributions to OAEE. Claimants must apply within three months from business closure, they must fulfil certain income requirements and, if they are in arrear of social insurance payments, they must have entered into an arrangement with OAEE. Yet, only a tiny minority of unemployed, insured in OAEE, receives this benefit. All those self-employed who ceased their occupational activity from the eruption of the crisis until early 2014 are barred (primarily because they do not satisfy the three months deadline from business closure for entering their application).

On account of increasing flexibility, and the dismantling of labour protection and collective bargaining, trade union representatives describe the Greek labour market as “a ‘Middle Ages’ employment regime”. This is also the reason why our interviewee from GSEE is highly critical of the view that youth unemployment is caused by wage rigidities and high protection.

### 3.3 Active labour market policies

For some time after the eruption of the crisis, ALMPs aimed to enhance job retention and the adaptability of workers and enterprises in the face of a dramatic recession. Subsequently, new legislation provided for the conversion of unemployment benefits into “reintegration vouchers”, paid as a subsidy to a potential employer (particularly to SMEs for hiring unemployed less than 30 years of age). Also, social security contributions of employers were partially or fully covered (OECD 2010:

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16 The unemployed must have at least 125 working days in the last 14 months (without counting the last two months before dismissal), and have not claimed more than 450 days benefit in the last four years. For first time claims: the unemployed must have at least 80 working days per year in the last two years (and of the 160 working days, the 125 must be within the last 14 months, without counting the last months before dismissal). Also, from January 2013 new regulations came into force that highly restricted unemployment benefit eligibility for many seasonal workers in tourism, construction and agriculture.
Under fast rising unemployment, the aim to facilitate the integration of unemployed in the labour market became key priority. As mentioned above, the EU Youth Initiative contributed significantly to the development of a more targeted effort towards the youth problem.

Most of the interviewees expressed doubts about whether ALMPs can work under conditions of very high unemployment. At the same time, they stressed that no comprehensive systems for assessing effectiveness of ALMPs have been in place in Greece. The interviewee from GSEE considers ALMPs a positive policy instrument for addressing unemployment. But he is critical about the lack of control and security that jeopardises workers’ rights and employment prospects. Moreover, the persistence of long-term unemployment is an indicator of the ineffectiveness of activation (in tandem with deficiencies in the way services respond to youngsters suffering from multiple disadvantages). The schemes addressed to young unemployed have not specifically targeted the most disadvantaged youth and measures do not make specific distinction between low-skilled and other young job seekers (OAED 2013: 2). In this respect, the Youth Guarantee provides an opportunity for better targeting measures to young people with low skills and little work experience (mainly, the hard-to-reach NEETs, aged 15-24 years).

Currently the great bulk of the resources destined for active measures for the young unemployed are channelled in three major interventions: the labour market entry voucher for young people aged up to 29 years of age, the community-service programme (Public Works of Social Benefit), and the entrepreneurship programme (a start-up incentives scheme).

Most of our respondents emphasised that the labour market entry voucher implemented over the last few years did not aim to combat unemployment. Rather it has functioned as a mechanism for

17 For a brief review of the employment maintenance schemes implemented during 2010-2012 see Karantinos 2014. As he stresses, the programmes were found to have a high deadweight (fluctuating around 50%) and modest results.

18 See on this issue also Bell and Blanchflower (2015).

19 For instance, the “voucher for entry into the labour market”, which was the main measure of the Youth Action Plan drafted in 2012, was addressed to 35,000 young unemployed below 29 years with skills ranging from compulsory to tertiary education. Equally, a similar measure for entrance into tourism-related activities (targeting 10,000 people), launched in spring 2013, aimed to benefit secondary, postsecondary and tertiary education graduates up to 29 years of age.

20 The programme aims at providing job experience opportunities to new labour market entrants. It offers school- and firm-based training, guidance and educational mentoring. It is overseen by OAED, but it is implemented by private Centres of Vocational Training (KEKs) which provide 80 to 100 hours of theoretical training combined with apprenticeship work in a firm of a maximum of 500 hours, within a period of up to 6 months. Firms providing traineeship must not proceed to any dismissal of regular employees until the completion of the programme, and also must employ the trainees for at least another 6-month period in the firm, after the completion of the programme. KEKs play the role “of an unofficial employment service, by bringing together job offers and job demand” (for a detailed description see http://ec.europa.eu/social/main.jsp?catId=1080&langId=en&practId=38).

21 Five-months employment schemes in the public sector (in construction activities, promotion and maintenance of cultural infrastructures, as well as in services – e.g. guarding archaeological sites and museums, social services etc.). Beneficiaries are unemployed persons less than 30 years of age. They are paid less than the minimum wage (and those under 25 less than the subminimum wage for youth).
managing the “jobless recovery” of the bailout plan. The worryingly high unemployment created during the years of the MoU does not constitute a collateral damage of “fiscal consolidation”, but an intended means for the drastic devaluation of labour (in order to create an abundant supply of cheap labour for businesses).

Recently, the deputy Minister of Labour (of the SYRIZA-ANEL coalition government), stated in an interview, that programmes such as the voucher for entry into the labour market by the young unemployed, implemented by the previous government, proved to be very expensive and need to be reconsidered. Moreover, she was critical of the fact that no steps were taken for putting in place a process of monitoring and assessing the effectiveness of these programmes for the beneficiaries and the businesses.

Strong criticisms have also been expressed by beneficiaries through the media. These focus on: (a) the commissioning of the implementation of these programmes to private Centres of Vocational Training (KEKs) and the extra cost this implies for the programme budget, compared with the case where the programmes would be implemented directly by the KPAS of OAED; (b) the dubious quality of training by some of the providers, and a mismatch with respect to the trainees level of education and skills; (c) the infringement of the 6-hour work ceiling (reported by some beneficiaries), and the fact that often trainees substitute regular employment; and (d) the very low remuneration of trainees (below even the sub-minimum wage for youth set by ministerial decision in 2012), without social insurance coverage, and great delays in receiving the benefit (often well after the termination of the programme).

It is also worth noting that, according to information obtained by OAED, although the labour market entry voucher programme was initially addressed to young unemployed with compulsory secondary education, those who have participated are the most “skilled” young unemployed. This is partly explained by the fact that the unskilled unemployed can more easily ensure a monthly wage instead of a (low) benefit paid with great delays, and also they do not seek so strongly work experience.

The federation of OAED employees has repeatedly demanded the termination of the “labour market entry voucher programmes” on the grounds that these are very expensive with very little effect on

22 Or, as put it by some beneficiaries: “a way of temporarily ‘soothing unemployment’, while spreading the model of the working poor, without labour rights and livelihood opportunity for a decent living (see http://vforvoucherades.blogspot.gr/search?updated-max=2015-01-10T06:25:00-08:00&max-results=7
24 KEKs receive 1080 euros (tax-free) per beneficiary (up to 29 years of age) for their training services (80 to 100 hours), while beneficiaries receive for their 6 months apprenticeship work in firms 2200 to 2500 euros (gross) in total, depending on their age and level of education. There is no social insurance for trainees, but they are entitled to health insurance as unemployed registered at OAED.
25 As reported in the media, some enterprises with more than one establishment may register the trainees (of the labour market entry voucher scheme) in the “parent firm” and proceed to dismissals in other establishments.
beneficiaries. A large part of funding is channelled to the private KEKs rather than to the unemployed, or to the participating firms in the form of incentives for job creation. After the termination of the programmes very few beneficiaries remain in employment, mostly in subsidised jobs. Our interviewee from OAED (who is the head of the federation of OAED employees) remarked that the Ministry of Labour has not publicised an evaluation study of the labour market entry voucher programmes, commissioned by the Ministry in 2014. Despite the repeated written requests by the OAED staff union to the Ministry, the study has not been made available so far.26

The above interviewee concluded that the voucher programmes recycle unemployment. Virtually the majority of participants in these programmes fall back to unemployment, without additional skills after a painful experience of low quality “practical training” irrelevant to their interests and expectations, according to the testimony of several “beneficiaries”. This creates a new generation of workers with low expectations and seriously weakens the human resources of the country.27

### 3.4 Labour contracts and working hours

Notably, during the crisis temporary employment has been slightly reduced among young workers (15-24 years) from 28.8% in 2008 to 26.4% in 2013, while part-time employment has significantly increased (from 13% to 21%; see Table 1). This reflects an important shift in the profile of “flexi-carity” in the Greek labour market: the share of temporary employed workers (of all working-age brackets) to dependent employment, from 12.5% in mid-2010 shrunk to 9.4% in mid-2013, while the share of part-time employed workers rose from 6.0% to about 9.0% (see Gavroglou 2014). This is mostly involuntary part-time employment, which according to data by the Labour Inspectorate increased by about 69% (as shown in Table 1, over two thirds of young workers of both of the age-brackets examined worked part-time involuntarily in 2013). Since the eruption of the crisis, also, employers have pursued a practice of converting full-time contracts into part-time or rotating employment (Figure 4 depicts part-time and rotating employment contracts [new contracts and converted ones] from 2005 to 2013).28 In parallel, the share of workers with overtime rose from 7.2% to 8.2% between 2010 and

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26 According to very limited information disclosed to the press by the Ministry of Labour, about 126,000 young unemployed 18 to 29 years applied for the programme in 2014. About 35,000 applications were approved. Only 2% dropped out of the programme. 72% of the firms providing apprenticeship places were very small firms (with up to 3 employees), about 10% of the firms had 4 to 9 employees and only 8% had 10 to 29 employees. After completion of the apprenticeship programme, about 36% remained in the firms (though it is not indicated for how long and under what employment conditions; on the other hand, it is stated that only 25% were offered an employment contract), see [http://www.ethnos.gr/v5general2print.asp?catid=23318&subid=20110&pubid=64106582](http://www.ethnos.gr/v5general2print.asp?catid=23318&subid=20110&pubid=64106582). Among our interviewees, only the respondent from ICAP expressed a rather positive view about this scheme.


28 For instance, in 2013, about 60,000 full-time contracts were converted into approximately 28,400 part-time contracts and 31,600 rotating-employment contracts (over 50% of the latter took place unilaterally by the employer, Labour Inspectorate 2013: 62-63),
2013 (and according to estimations, about two thirds of those working overtime receive no payment; Gavroglou 2014: 50).

**Table 1 Youth temporary and part-time employees**

| Youth temporary employees as percentage of the total number of employees | Part-time employment, as percentage of the total employment for young people |
|---|---|---|---|
| 15-24 years | 25-29 years | 15-24 years | 25-29 years |
| EU-28 | 40.0 | 40.1 | 42.6 | 20.9 | 21.0 | 22.3 | 24.7 | 26.2 | 32.1 | 12.9 | 13.1 | 16.7 |
| Greece | 26.1 | 28.8 | 26.4 | 17.6 | 17.8 | 17.4 | 11.1 | 13.4 | 21.1 | 5.8 | 6.1 | 12.2 |
| Greece (% of involuntary part-time employment) | - | - | - | - | - | - | 48.7 | 43.6 | 68.4 | 67.9 | 66.8 | 75.4 |


**Figure 4 Part-time and rotating work contracts**

Source: Labour Inspectorate 2013: 61
Significant changes in labour relations account for this shift in “flexi-carity” (namely, increased flexibility and precariousness, which strongly contrasts with flexicurity). Legislation passed since 2010 has facilitated the unilateral (by the employer) conversion of indefinite contracts to part-time or rotating employment. It has reduced severance payments by 50% and increased the upper threshold for collective dismissals. Also, it has significantly reduced overtime pay and extended the probation period of new appointees from two months to one year. Moreover, businesses often avoid controls by the Labour Inspectorate (that itself is understaffed), and implement illegal forms of flexibility.

### 3.5 Minimum wage for youth

As stated above, in February 2012, the “troika” enforced the dissolution of the General Collective Agreement among the social partners and the reduction of the minimum (private sector) wage (which is the benchmark for all higher wage rates and of the unemployment benefit as well as the maternity benefit) by 22% (and by 32% for young workers under 24 years). Also, the suspension of the application of industry-wide and occupational agreements for all employees in a sector or occupation prompted a downward flexibility of wages across a wide range of pay grades.

The social partners exhibited conflicting views on the sub-minimum wage rate for young workers. The workers’ trade unions and the Hellenic Confederation of Professionals, Craftsmen & Merchants (GESEVEE) were against this measure. This is supported on the ground that the reduction of minimum wages for young people is an act that violates the Greek constitution, which stipulates that all workers should receive at least the minimum wage. Moreover, as mentioned above, most of our interviewees (from GSEE, GSEVEE, OAED, and Penteion University) pointed out that the reduction of minimum wages and the liberalisation of the labour market for young workers have not proved to be effective in reducing unemployment. Moreover, trade unions of the left (as for instance, the Workers Militant Front [PAME] affiliated to the Greek Communist Party) consider the above “reforms” (including the sub-minimum wages for the young) a severe violation of social and labour rights that gives rise to a “modern slave-trade”.

### 3.6 Labour taxation

The reduction of non-wage costs has been on the agenda under the MoU as one of the means for boosting competitiveness. In November 2012, legislation stipulated by the bailout deal introduced a decrease of employers’ contributions by 1.1%. These contributions were paid to the Workers’ Housing Organisation (the only body providing low-cost homes to workers) and the Workers’ Social Benefits.

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29 Regarding new appointments, between 2009 and 2012, full-time contracts fell by about 50%, while part-time and rotating-employment contracts rose by 53% and 65% respectively, in the same period (Labour Inspectorate 2012).

30 The minimum wage from 751 euros (gross) fell to 586 euros (gross) and the sub-minimum wage for youth was set at 510 euros (gross).
Organisation (running free nurseries and subsidising leisure schemes for low-income workers and their families). Both of these bodies were abolished.

Legislation passed in 2014 (and put in force in July 2014) introduced a further cut of employer and employee contributions (by 2.9% for employers and 1% for employees). In parallel, the contributions to the Unemployment Fund and the Maternity Benefit Fund (for private sector workers) from 0.81% were reduced to 0.46%. In the short to medium term these regulations will augment the financial strains on social insurance funds as well as on OAED.\textsuperscript{31} As our interviewee “A” form OAED pointed out, even before these cuts, the largest social insurance organisation in Greece (IKA) owed to OAED eight million euros. These were contributions for OAED, collected by IKA, but withheld by the social insurance organisation, in order for it to cover pension expenditure. Diminishing employers’ contribution to the funding of OAED may also weaken the role of the social partners in the governance of OAED.

\section*{3.7 VET institutional structure and STW transitions}

Institutional structures linking education to the labour market have persistently been weak, and work-based training opportunities rather limited. The other side of the coin is the little appeal of vocational and technical upper secondary education for young people. Moreover, transition lengths for youth with different levels of education attainment have been comparatively long (further increasing during the crisis). Steadily, the numerical size of vocational paths (i.e. the size of enrolment on a vocational course) vis-à-vis general education remained small (Deliyianni-Kouimitzi 2013). Also no substantial dynamic of partnership frameworks (between various relevant stakeholder institutions – trade unions, employers associations, local authorities, OAED offices and others) for designing, implementing and managing STW transition policies emerged in the previous decades. Equally undeveloped have been institutional mechanisms for systematically forecasting and addressing skills needs that could act as triggers for innovation in knowledge and skills supply (embracing both quantitative and qualitative targets).\textsuperscript{32}

\textsuperscript{31} As indicated in the Medium-Term Fiscal Strategy, 2015-2018 (Law 4263/2014, p. 3894), the losses that the social insurance funds and OAED will incur by the cuts in the rate of contributions are estimated in the range of close to 1 billion in the period 2015-2018.

\textsuperscript{32} The organisation of Vocational Education and Training (OEEK) established in 1992 for overseeing the operation of both public and private IEKs (Vocational Training Institutes) was also responsible for monitoring labour market needs at the regional and local level (the task was assigned to tripartite advisory committees with the participation of social partners). Nevertheless, no regular and continuing activities linked to early identification of skills needs were in place until the late 2000s (through, for instance, systematic studies tracking the careers of school leavers). In 2010 OEEK was abolished. Any functions related with curricula and qualifications certification were undertaken by the newly established National Organisation for the Certification of Qualifications & Vocational Guidance (EOPPEP). Issues related to improving planning and management of STW transition paths, promote partnerships and evidence-based policy measures were relegated to the “reformed” OAED services under the programme “Reengineering of OAED’s Business Model” that, however, is still pending (OAED 2013).
Youngsters opting for vocational training can follow either the formal or non-formal education paths. The former consists of upper-secondary vocational lyceums and schools: (a) the 51 Vocational Education Schools run by OAED (Apprenticeships-EPAS, offering a four-semester period of study to roughly about 11,500 students 16-23 yrs, annually), which combine teaching courses with on-the-job training; and (b) the Vocational Lyceums (EPAL – day or evening schools) operating under the auspices of the Ministry of Education. The non-formal vocational education sector embraces a number of public and private Vocational Training Centres (KEKs) and post-secondary VET schools (IEKs), and colleges of lifelong learning. These provide varying mixes of class-based and in-work training and their curricula are certified by a relevant certification organisation (EOPPEP) and are overseen by the General Secretariat for Lifelong Learning (GSLL). It is noteworthy that the number of students in (formal and post-secondary non-formal) vocational education steadily dropped over the 2000s (CEDEFOP 2014). Still about 75% of youth choose general upper secondary education.

According to a survey in non-formal VET carried out by KANEP-GSEE (the Centre for the Development of Educational Policy of the Greek General Confederation of Labour) in late 2012, the effectiveness of KEKs and IEKs in securing labour market integration of VET students is disappointing: of the cohorts studied (those who finished courses in 2008-09) only a small number reported that they found a job in at least six-months time after finishing vocational training; while after 18 months over two thirds of them had lost their job. Strikingly, less than a third of the sample stated that the knowledge and skills acquired were relevant for the job they found (KANEP-GSEE 2013). On the other hand, formal vocational training at OAED’s apprenticeship schools is considered to be very effective in securing labour market entry, as mentioned above (see also European Commission 2013).

In the 1990s many reforms expanding formal and non-formal VET, promoting activation and introducing individualised guidance and job searching techniques were, more or less, introduced as a result of EU-initiatives and funding priorities. Yet, most often than not, “path-dependent” accommodation of new policy measures (e.g. misuse of vocational training funding as a substitute for - in-work or unemployment -“cash benefit”) accounts for barriers to policy learning and innovation. Namely, to a comprehensive change in the policy-making machinery that could advance a deliberate attempt to adjust goals, techniques and instruments “as a response to past experience and new

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33 Compared to EPAL, OAED’s EPAS have persistently been more attractive to youngsters who opt for vocational upper-secondary education, due to better work prospects for their graduates. The specialties provided and the dual system followed in EPAS (not in place in EPAL until lately) account for EPAS’ better record in facilitating labour market entry. On the other hand, there is horizontal mobility between EPAL and general education upper-secondary lyceums. Also EPAL graduates have access to higher education after sitting examinations.

34 University degrees were sought after as a passport to public sector jobs preferred to the private sector because of better working, remuneration and social insurance conditions. Even though public sector expansion has decelerated since the 1990s, preference for university studies traditionally linked to public employment had not significantly decreased prior to the crisis.
information” (Hall 1993). Hence, the fragmented introduction of measures and programmes (e.g. new institutions for VET without a rigorous evidence-base on what works and effective collaborative channels among major stakeholders for tracking skills needs and target youth labour market problems). Early school leaving, also, has not been well addressed: it is not sufficient to set goals for reducing ESL without putting in place the required basic support and monitoring arrangements (i.e. school psychologists, social workers and other support staff, as well as monitor and coordination mechanisms).

Most of the above issues were corroborated by the responses of the interviewees. The interviewee from the National Youth Council indicated that the education system does not take labour market needs into account and apprenticeship is not widespread. Employer engagement in education is weak, as is also a tradition of business-education collaboration in qualification delivery and assessment. Fostering synergies in the latter respect can be a major breakthrough. According to the above interviewee, the YG can provide such an opportunity; though so far no real consultations have been held with the social partners.

In order to reduce drop-out, improve educational/training attainment level and drive up, standardise and credit qualifications acquired through different education and vocational training channels, a number of policies under way embrace: new legislation for monitoring ESL (establishment of an Observatory for the Monitoring of ESL for systematically registering and analysing truancy); putting into force the provisions of a pre-crisis law (Law 3518/2006), in tandem with the “Re-engineering Programme” for OAED, in order to promote local co-operation for integrated interventions; implementation of the provisions of recent legislation (Law 4186/2013 on “Restructuring Secondary Education”) for promoting apprenticeship and training. Quality assurance issues and a learning outcomes approach are crucial for the successful integration of EU vocational education and training (VET) policies in the Greek education system.

Law 4186 introduces the dual system across the full range of vocational education and training institutions (for instance, EPAL curricula will embrace a fourth (apprenticeship) year; and two-year vocational training schools for all specialties (SEKs) a third (apprenticeship) year, with a 28 hours per week apprenticeship in business.35 In the context of the Greek-German agreement, mentioned above, in early 2014 experimental SEKs were established. They specialise in tourism-related skills and combine school-based and in-firm education and training. Strengthening the role of EOPPEP (National Organisation for the Certification of Qualifications and Vocational Guidance) in creating and maintaining a comprehensive and effective policy framework for the accreditation of non-formal (and lifelong) learning is also key in the reform process of improving vocational training.

35 Reforming vocational education is an obligation included in the second MoU that Greece signed with its three international lenders in early 2012.
Most of our interviewees stressed that “it would be naïve to think that Germany’s dual-education system can be wholly transplanted into Greece”. The interviewee from EKKE pointed out that the dual system developed in Germany in order to support a strong manufacturing sector, which is lacking in Greece, while the interviewee from KEPE focused on the low-skill jobs characterising labour demand in Greece. The interviewee from GESEVEE indicated that there are no strong motives for Greek enterprises to engage in vocational education, because of the oversupply of “overqualified labour”, as mentioned above. In a similar vein, the interviewee from EKKE expressed strong doubts as to whether OAED will be able to secure the 50,000 trainee places that will be required under the new legislation, which introduced one extra year of apprenticeship (a fourth year) to the VET courses run by EPAL. Other interviewees (from CEDEFOP, the National Youth Council, the Federation of Industries of Northern Greece, ICAP and SETE) stressed the need for tackling the mismatch between university courses and labour market needs and introduce traineeship in a range of course curricula.

Some important factors requiring attention, according to most of the interviewees, are the following. Apprenticeship qualifications linked to vocational profiles should be standardised, certified and regulated by a central body with representatives from all major stakeholders. Most importantly, these must acquire wide social recognition among businesses and young people. According to interviewee “B” from OAED, social recognition can be enhanced, if successful outcomes of OAED’s apprenticeship schools are widely publicised and communicated (as she put it: “we have a number of graduates with successful careers in business…some of them also holding high ranking positions in various chambers of commerce and industry”). Attracting firm participation is crucial for developing an apprenticeship system. Engagement of most major employers is vital (so as to avoid phenomena of “free riding”). Equally important is the role of trade unions in ensuring that firms do not “exploit” apprentices or substitute them for regular workers, and of both social partners in assuring quality in training (on the implementation problems of the dual system see Paidousi 2014).

3.8 Welfare policies

As mentioned above, there is no support to young workers entering the labour market. Unemployment protection across all working age groups is rudimentary, and support for the long-term unemployed (affecting 75% of the unemployed) utterly meagre. Non-existent access to benefits makes young (unemployed) people solely depended upon their family. For a long time the family has functioned as a major provider of income and support to its members. However, the crisis has significantly eroded its ability to provide protection.

In November 2014, a minimum income guarantee (GMI) scheme was launched on a pilot basis. Interviewee “A” from OAED expressed cautious optimism about this new scheme, given its small-scale implementation so far. On the other hand, our interviewee from Panteion University emphasised that Greece’s economic and job crisis needs to be tackled primarily at the level of macroeconomic
policies. Programmes, such as the GMI, may have an ameliorating effect on social problems; but it remains to be seen how effectively the scheme can be implemented nationwide.

The piloting of the GMI was launched in 13 localities in the country and is addressed to individuals and families in “extreme poverty” (in early 2015 there were about 25,600 beneficiaries). The extreme poverty line (defined in a rather ad hoc way) ranges from 2,400 euros annually for a single person to 6,000 euros annually for a family with four (or more) children. The benefit covers the difference between the “extreme poverty” lines and the beneficiaries’ income (eligibility criteria also take into account the real estate assets owned by the beneficiaries). The budget of the pilot programme amounts to 20 million euros. The programme is planned to be linked with activation measures as well. However, information has been very scant so far regarding progress in implementation. The government formed after the 25th January 2015 elections announced that it will decide about the nationwide implementation of the GMI after evaluation of the pilot scheme, which, however, is still at an incipient stage.

Meanwhile, recently, the SYRIZA-ANEL coalition government has passed new legislation for tackling the humanitarian crisis. Income thresholds defining eligibility criteria under this scheme are similar to those concerning the pilot GMI. The scheme contains measures such a free electricity (up to 300 KhW per month), and rent- and food-allowances, and it is estimated to benefit 100,000 to 153,000 households (the budget is set at 200 million euros for 2015).

None of the above two programmes contains any measures specifically targeted to disadvantaged youth.

4. Conclusion

In this report we examined the major barriers to and triggers of effective policy innovation in Greece for tackling youth unemployment. Since the Great Recession, Greece has been entangled into a deep and prolonged economic and financial crisis that has dramatically increased unemployment across all working-age groups. In the first part of the report we briefly examined governance structures and the dynamics of labour market reform, and attempted to locate the major barriers to / enablers of innovation, while in the second part we reviewed policy learning / policy transfer processes and discussed recent changes in major institutional aspects (employment protection legislation, ALMPS, 36

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36 According to the latest EU-SILC data, in 2013, about 900,000 households (2,529,000 people) were living below the poverty line (defined at 60% of the median equivalised income after social transfers, which amounted to 5,023 euros annually for a single person, and 10,547 euros for a household of two adults and two children).
wage setting institutions, VET structure etc.) with an emphasis on how these impact on youth employment.

Briefly put, the major barriers to effective policy innovation (namely, policy reform that can make any inroads into the youth unemployment problem) are the following:

- **Policy decision-making in the areas of employment, education and training is highly centralised.** This does not allow any scope of initiative in policy design and management/implementation to regional and or local authorities and stifles any bottom-up innovation potential. Excessive bureaucratisation, in tandem with a formalistic/legalistic tradition, goes hand-in-hand with strong central control.

- **Social dialogue and negotiation among relevant stakeholders (state agencies, employers associations, trade unions, educational institutions and others) over policy-making have traditionally been weak in Greece.** This is accounted for by conflictual relations between the social partners and fragmentation of trade unions. The absence of a culture of collaboration also partly explains the weak links between the education system and labour market needs, the low use of apprenticeships, and an often expressed attitude of mistrust (by trade unions, academics, students and others) to employers’ involvement in education policy. The bailout deal has dealt a serious blow to the weak social dialogue (social partners and, often, democratic procedures have been bypassed), and has fuelled disappointment and mistrust. Repairing these conditions is of utmost importance.

- **The “path dependent” way of accommodating new programmes, mostly introduced through EU initiatives and funding, reflects some major “reform pathologies” in Greece (i.e. the strong grip of clientelistic politics on institutions and labour market programmes, and the absence of a, more or less, systematic process of evidence-informed policy making).** Hence a “failing reform technology” producing an inertia vis-à-vis what Hall defines as “first- and second-order policy changes”.

These issues were framed in two distinctive discourses by our interviewees: a neoliberal discourse emphasising labour market rigidity and lack of skills, as the causes of youth unemployment, and a socio-democratic discourse that locates the barriers to effective policy innovation in a “wrong diagnosis” of the youth unemployment problem (that is not caused by a shortage of skills, but by macro-economic problems). In favour of the latter view is the argument that despite enhanced flexibility, sub-minimum wages for youth, and active measures introduced over the last few years, youth unemployment (and particularly long-term unemployment) has remained high. Moreover, it is skilled young workers who migrate, in rising numbers, from Greece. Increasing flexibility and dismantling of labour protection, in parallel with the diminishing ability of the family to provide support
to its (young) members strongly expose the weaknesses of the sub-protective regime of youth transitions in Greece.

External influence is prominent in policy transfer and learning. Ranked in a descending order of “coercive impact”, the major channels of policy influence are the following:

- “Coerced transfer” (imposed by the bailout deal) as well as “reforms” directly tied to “EU hard law” and/or to requirements for accessing EU funding (e.g. under the National Strategic Reference Framework).

- Systematic expert knowledge provided by the “Task Force” and by specific missions by international organisations (OECD, IMF, ILO, WHO and the World Bank) for “assisting” Greece to deliver the EU/IMF structural adjustment programme.

- “Experimental emulation” of policies through bilateral agreements of cooperation (e.g. the currently undergoing VET reform on the basis of a German-Greek agreement for the provision of expert knowledge on the dual system).

- “Softer” forms of learning, such as the peer reviews under the “mutual learning” programme of the European Commission and other bilateral or multilateral exchanges of expert knowledge in the EU, and international networks and fora.

There are hardly any bottom-up channels of policy learning and innovation, for instance, along the lines of the so-called “triple helix” consisting in a dynamic interaction between actors in three major institutional fields (education, industry and government) that can offer important insights for innovation and job creation.

The analysis focused on two areas of policy reform: the attempt by the government to introduce the dual VET system, and the innovative potential of the Youth Guarantee within the realm of ALMPs. Repairing trust among the social partners, reinstating social dialogue and collective negotiations, and encouraging stakeholder engagement in policy decision-making and implementation are considered the linchpin of an effective reform by most of our interviewees. Nevertheless, there are contrasting views as to the potential of current reforms for delivering effective outcomes. Particularly with regard to the dual VET system, the trade unions, the federation of small business owners and a number of policy experts are highly critical of the “experimental transfer” from Germany, on the grounds that the German apprenticeship tradition cannot be transplanted in the Greek economic environment. Significant obstacles embrace the very small size of Greek firms, the “abundance” of overeducated labour (ready to accept jobs requiring low qualifications) that provides no motives for the firms to “invest” in the education of the unskilled or low-skilled, and, largely, the lack of commitment by enterprises with regard to the governance, funding and implementation of the dual system.
Overall, the severe and protracted crisis has highly stretched resources and tools and has made it very difficult to “experiment” in policy-making, given the fact that there are so many vulnerable groups not only among youth but across many segments of the population. It remains to be seen whether pending reforms (e.g. the “Re-engineering of OAED and the piloting of integrated policies by the Public Employment Services) can add up (in a “layered” manner) to major improvements particularly in policy management. In this respect the YGIP may have an innovation potential. It definitely cannot solve the youth unemployment problem. But, given its emphasis on integrated policies for matching “youth” to “education/training and employment solutions”, it presents a challenge on various fronts: to tackle fundamental “pathologies” of policy management by reinforcing monitoring and analysis that feeds into the policy process; to address the “guidance” challenge (that OEAD, demonstrably understaffed, risks to be unable to deal with), which is pivotal for successfully incorporating a great number of youth into YGIP programmes; and to raise the effectiveness of vocational and professional education.
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6. Appendix

Methodology

Between December 2014 and April 2015, fourteen in-depth interviews were conducted with significant stakeholders in the field of youth labour-market policy. On the basis of a common template, used by all partners in WP4, a semi-structured questionnaire was drafted. The thematic units of the common template (see STYLE-WP4/Task1, Template of Country Report, electronically available at https://emdesk.eu/cms/?p=334) provided the basis for the core (open-ended) questions addressed to the interviewees. In addition, depending on the field of expertise of each interviewee, some additional specific issues were raised for discussion by the interviewer. A note on the core issues to be discussed in the interviews was sent to the interviewees ahead of the planned meetings with each one of them, so that they could have time to reflect on these issues and provide in-depth information. The average duration of the interviews was 60 minutes. All interviews were recorded, under permission. The recorded material was transcribed verbatim, and an executive summary of each interview was drafted. Through a basic content analysis the answers were grouped according to the thematic structure of the report and analysed in the light of the research focus of WP4/Task1.

The interviews were held with policy experts and officials from the following institutions:

1. Centre of Planning and Economic Research (KEPE), Athens (Κέντρο Προγραμματισμού και Οικονομικών Ερευνών). It is the largest economics research institute in Greece. It focuses on applied research projects and provides technical advice to the Greek government and the country's regional authorities on economic and social policy issues.

2. National Center for Social Research (EKKE), Athens (Εθνικό Κέντρο Κοινωνικών Ερευνών). It is a public law legal entity supervised by the General Secretariat of Research and Technology of the Ministry of Education. It was established under the auspices of UNESCO and is the only public institution in Greece dedicated to social research.

3. Panteion University (Athens), Department of Economic and Regional Development (the interviewee is a University Professor of Labour Economics).

4. Greek Manpower Organisation (OAED), Athens (Οργανισμός Απασχόλησης Εργατικού Δυναμικού). It is a legal entity of public law supervised by the Ministry of Labour, Social
Insurance, and Social Solidarity. Representatives of the social partners participate in its Governing Board. Interviews were held with two officials: interviewee “A” is an experienced employment advisor and head of the Federation of OAED Employees; interviewee “B” is head of the Department of Educational Programmes and Teaching Material.

5. European Centre for the Development of Vocational Training (CEDEFOP, Thessaloniki). It is one of the EU’s decentralised agencies. Based in Greece, it supports development of European vocational education and training policies and contributes to their implementation. The interview was held with the head of the Department for VET Systems and Institutions, and with researchers of his team.

6. Greek General Confederation of Labour (GSEE) Athens (Γενική Συνομοσπονδία Εργατών Ελλάδος). It is the highest, tertiary-level trade union body in Greece, made up of 83 worker unions and 74 departmental secondary confederations.

7. Greek Ministry of Labour, Social Insurance and Social Solidarity, Athens. The interview was held with the officer responsible for the management of the Youth Guarantee Implementation Plan.

8. Hellenic Confederation of Professionals, Craftsmen and Merchants (GESEVEE), Athens (Ελληνική Συνομοσπονδία Επαγγελματιών Βιοτεχνών Εμπόρων Ελλάδος). It is a third level, cross-sectoral, employer’s organisation across Greece, representing small businesses and the self-employed.

9. Federation of Industries of Northern Greece (SVVE), Thessaloniki (Σύνδεσμος Βιομηχανιών Βορείου Ελλάδος). Members of the Federation are manufacturing companies and industrial organisations in Northern Greece.

10. Association of Greek Tourism Enterprises (SETE), Athens (Σύνδεσμος Ελληνικών Τουριστικών Επιχειρήσεων). It is the representative Association for unions of tourism enterprises in Greece, as well as independent companies operating across the broader tourism sector.

11. Youth and Lifelong Learning Institute, Athens (Ιδρυμα Νεολαίας και Διά Βίου Μάθησης). It is a private entity of public law, supervised by the Ministry of Education.

12. National Youth Council (ESYN), Athens (Εθνικό Συμβούλιο Νεολαίας). It is an independent, non-government, non-profit federation of youth organisations.

13. ICAP Group, Athens. It is a Greek regional Business Services Group active in South Eastern Europe, which implements VET programmes.
14. Euroconsultants, Athens (Ευρωσύμβουλοι). It is a Group of Companies specialising in the provision of consultancy services on innovation and technology. It is the official technical advisor of the Ministry of Labour regarding the Youth Guarantee programme.
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