

GREECE



Key policies to promote longer
working lives

Country note 2007 to 2017

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN GREECE¹

(Situation 2007 to mid-2017)

Greece could do more to raise its effective retirement ages. According to the Late Career Scoreboard at the end of this report (Table 1), these remain well below the EU average (in 2016, 62 for men and 60.2 for women, compared with the respective EU averages of 63.4 and 62). In contrast to the EU, the average employment rate of older workers aged 50-74 in Greece has decreased from 2006 to 2016: from 34.7% to 31.7%, as compared to the respective EU averages of 38.3% and 45.4%. In particular, as synthesised in Table 2, Greece could encourage the social partners to implement better retention and hiring mechanisms targeted at older workers; encourage good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce; promote lifelong learning and development of the country's adult vocational education and training system; and set up mechanisms for recognising and validating skills. That said, Greece has taken substantial action to raise the retirement age as well as to implement anti-discrimination legislation and provide employment/hiring subsidies to firms and active labour market programmes focused on older workers.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The first and main pillar of the Greek pension system is the public pension scheme, accounting for 99% of the entire pension system. The second pillar consists in occupational pension schemes and the third in private pensions.

Pension reforms were a critical component of the austerity policies implemented in Greece following the debt crisis. Before the reforms were implemented, the pension system could be described as being comparatively generous, but at the same time also fragmented. Many pension funds with different rules co-existed. The benefits provided to different groups were also unequal. Pension provisions tended to favour public over private sector employees, the self-employed over wage earners, standard over non-standard workers and men over women. Uneven access was also a feature of supplementary pensions (Koutsogeorgopoulou et al., 2014). High expenditures for the pension system were contrasted with low expenditures in other areas, including low coverage and “levels” of unemployment benefits and social assistance.²

Austerity policies with their pension reforms were implemented mainly in 2010, 2011, and 2012. The main areas of reform were i) raising the retirement age for a full pension and for early retirement; ii) replacing the existing one-tier pay-as-you-go pension system with a two-tier system and making the system more uniform; and iii) implementing pension cuts. In principle, these reforms would increase the employment

1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

2. For an overview of the development of the welfare state in Greece and recent reforms see Karamessini, 2014.

rates of older workers in a “normal” economic environment. However, as the country has experienced a particularly deep and long-lasting recession, the employment rates of older workers have continued to fall.

A key element of the pension reforms consisted of several cuts to pension benefit levels. This included measures such as nominal cuts to public and private pensions by 10.5% on average, and introduction of a progressive “solidarity contribution” on pensions exceeding EUR 1 400 in 2010. The rate of pension reduction was progressive. Further reductions in all the pensions (main, supplementary and lump sum) have followed, including cuts to supplementary pensions by 15% to 30% in 2011, a further cut to main pensions above EUR 1 300 by 12% and supplementary pensions by 15% on average (Karamessini, 2014). While the cumulative impact of the cuts depends on the characteristics of each pensioner (such as age, whether they receive other social insurance, etc.) some official estimates suggest that pensioners drawing a total pension (main and supplementary) of EUR 900 per month before the crisis suffered an overall reduction of 26% in 2009-2012. The corresponding reduction for those on a total pension of EUR 2 100 per month was 34% (Koutsogeorgopoulou et al., 2014). In principle, pension reductions would set incentives to work longer; however, this effect is hampered by low labour demand, resulting in very high unemployment and long-term unemployment rates since the beginning of the economic crisis.

Starting in 2015, pensions from the first pillar should have been provided through an earnings-related scheme and a means-tested universal basic pension. Previously the scheme was, as mentioned above, more fragmented and contained different defined supplementary (auxiliary) pensions and lump sums. The reform of the current pension system that should have become effective from January 2015 was suspended by the new Greek Government, and the system will continue to provide defined benefit pensions under the previous defined benefit scheme instead of introducing the Notional Defined Contribution scheme – the unified multi-tier system that would distinguish between a basic (quasi-universal) non-contributory and a contributory pension (European Commission, 2015). The basic pension should have been granted by all social security organisations provided that the beneficiaries were at least 67 years old, had permanent residency in Greece for at least 15 years, and could meet certain previous income criteria (OECD, 2017).

Raising the statutory age of retirement

The pension reform of 2012 (Law 4093/2012) increased the normal retirement age for the earnings-related pension system from the age of 65 to the age 67 or from 60 to 62 for the long-term insured, starting 1 January 2013. The retirement ages for men and women were also equalised. The earnings-related public scheme allows workers with a contribution record of 40 years (instead of 37 years under previous law) to retire with a full pension benefit at the age of 62 instead of the previous minimum of 60. There are also concessions for people who work in arduous/hazardous occupations and for women with dependent or disabled children. People who work in hazardous occupations can retire five years earlier, at the age of 62 instead of 67. The 2012 pension reform also introduced a rule to adjust the qualifying period and retirement age based on changes to life expectancy every three years. The minimum old-age pension requires 15 years of contributions (OECD, 2017).

Facilitating phased retirement

No action has been taken.

Better combining of pensions and work income

The 2010 pension reform stipulated that pension payments must be suspended to the age of 55 if the pensioner takes up an activity that is subject to insurance with a pension institution. For persons at the age of 55 and older, pensions are reduced according to certain rules depending on the type of activity

conducted and whether the work is taken up as employment or self-employment. The gross amount of the main pension exceeding 30 daily wages of an unskilled worker is reduced by 70%.

Rewarding longer careers

In Greece, it is not possible to defer one's pension (OECD, 2017).

The 2012 pension reform introduced a pension calculation based on lifetime earnings instead of on the last five years of earnings and with lower accrual rates (Karamessini, 2014). Contribution-related proportional pensions are now calculated by multiplying lifetime earnings by annual accrual rates and multiplying that product by the number of insurance years. This reform in principle increases the incentive to accept lower-paid jobs at the end of the work career.

The pension supplement awarded to the pensioners with the public insurance IKA-ETAM (for salaried workers) with a total insurance period of more than 35 years is changed from 2010, enhancing the financial incentive to remain in work longer. The accrual rate has been increased from 3.3% to 3.5% for every 300 days of work, with a maximum of 900 days for those insured in the scheme who have reached the age of 60 and have been insured for more than 35 years.

The 2010 pension reform also aimed to unify pension provisions. It merges all social security funds into three by 2018 and brings the pension system of civil servants in line with the private sector pension system by eliminating all of its more favourable provisions from 2013 onwards (Karamessini, 2014). The new accrual rate for the proportional pension has the same profile for all workers; it depends on the number of years of service. The stronger orientation of the pension systems toward the length of insurance sets incentives to work longer. However, recent pension reforms have not yet eliminated all inequalities in the system (Koutsogeorgopoulou et al., 2014).

Starting in 2015, the earnings-related pension accrual rate for public sector workers increased, from 0.8% per year for those who have a record of 1 to 15 years of insurance to 1.5% for those with 40 to 50 years of insurance, as set forth in the 2011 pension reform.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

The pension reform of 2012 has raised the minimum age for receiving a reduced pension, from 60 to 62. Pensions are reduced by 6% for each year short of 67 for those with at least 15 years and less than 40 years of contributions. In 2009, the penalty was increased from 0.3% to 0.5% for each month early (corresponding to an increase from 3.6% to 6% per year early).

Pursuant to the provisions of Law 4024/2011, a financial disincentive is in place for retiring (with decreased or full pension) before the age of 55 for those insured by schemes falling under the competence of the Ministry of Labour and Social Security. For these early retirees, the amount of monthly basic pensions in excess of EUR 1 000 is decreased by 40%. Retirees who receive the total disability allowance are exempted. For those establishing a pension right in the public sector scheme from 2011, pensions can be paid only after the age of 56. This age limit increased again in 2012 and will continue to do so every two years until the retirement age has reached 60. At that point, the pension will be reduced by 0.5% for each month remaining until the required age limit and for a period not exceeding five years.

In contrast to the restrictions for retiring early, the Greek Government implemented a specific pre-retirement package in light of massive staff reductions in the public sector, as committed under a

Memorandum of Understanding. In 2011, the so-called “employment reserve programme” was set up, which allows retirement for those working in the public sector with permanent work contracts under private law who have either fulfilled or almost fulfilled the conditions for retiring. Participating workers retiring until the end of 2013 received 60% of their previous wages for one year. After the end of the labour reserve period, employees received a full pension that is not affected by their placement in the labour reserve, as long as employment came to an end automatically and employees satisfied the full pension requirement of an insurance record of 35 years. Early retirement has thus been a key element of plans for economic restructuring and reducing employment in the public sector.

There are exceptional cases where the pension is not reduced for those retiring before the statutory age; these include long careers (40 years of service at a minimum age of 62) and employment in arduous/hazardous and unhealthy occupations.

Introducing specific provisions for arduous/hazardous work

For persons engaged in arduous/hazardous work (AHW), the statutory retirement age is set at 62 with the requirement of 35 years of contributions and at least 25 years of AHW for a full pension entitlement, or 15 years of contributions with at least 12 years of AHW for a full pension entitlement (European Commission, 2015).

The need to reform the list of occupations involving AHW emerged in 2007, and triggered a social dialogue between the social partners and the government. In 2011 the list was shortened as part of the Memorandum of Understanding. Still, about 38 jobs or professions in the private sector are legally defined as involving AHW. In addition, there are 61 activities that are defined as being arduous/hazardous. Before the reforms, there were 580 categories and subcategories of professions or activities considered to involve AHW. Shortening of the list led to a quarter decrease in the number of people insured as workers engaged in AHW in 2012. Part of the reduction was also due to the recession (European Commission, 2015).

1.3. Preventing welfare benefits from being used as alternative pathways to early retirement

Unemployment (insurance and assistance) benefits

Unemployment insurance (UI) benefit coverage in Greece is low, with less than 50% of the short-term unemployed receiving benefits in 2012, down from 65% in 2010. Eligibility conditions have been tightened for certain workers since the onset of the debt crisis. The total number of days a worker can claim UI benefits over a period of four years was limited to 450 days from 1 January 2013 and to 400 days from 1 January 2014 (Koutsogeorgopoulou et al., 2014). There is an additional allowance (called Benefit to the Long-Term Unemployed) for Greek citizens and EU nationals only. The allowance is available under strict means-tested conditions to individuals aged 45-64 who have received UI benefits for 12 months and have remained unemployed a further 12 months. From January 2014, this extended assistance (EUR 200 per month) is available to all persons aged 20-66, instead of only to those aged 45-65. It is welcome policy to avoid linking extended unemployment benefits to age.

In 2007, a reform replaced wage-related unemployment benefits with a single flat-rate basic benefit set at 55% of the minimum wage (Karamessini, 2014). The level of the UI benefit was cut in February 2012 by around 20% to EUR 360 per month (about two-thirds of the current level of the minimum wage). The UI benefit would be extended as an allowance to the self-employed, subject to means-testing, according to a law introduced in 2011. This new benefit would be paid for three to nine months. However, as yet there is no ministerial decision to implement this law.

It is generally argued that because of the low level of social protection as compared to other OECD countries, the benefits provided do not discourage job-searching in Greece (Karantinos, 2012). Nevertheless, job-search requirements could be strengthened, in particular for the older unemployed. In Greece, those aged over 50 can refuse job offers in other occupational areas indefinitely without risking sanctions. The legislation does not require beneficiaries to be regularly checked for their independent job-search activities. Further, in 2011, availability for work during participation in active labour market programmes (ALMPs) was not required and participation in fact interrupted the unemployed status. From June 2014, participants in training programmes do have the status of unemployed and must continue to be available for work (Langenbucher, 2015).

For insured persons entitled to an old-age pension based on the stricter requirements that came into force from 1 January 2011 and later, any period of (voluntary or involuntary) unemployment can be used as a credited insurance period towards the fulfilment of the minimum prerequisites for retirement. Unemployment periods that can be credited could not exceed one year or 300 days during a lifetime, and the maximum credited period of six years applied in 2013. All of the credited periods taken into account in order to qualify for a pension cannot exceed seven years from 2014 onwards.

Social aid

The (overall) poverty rate in Greece has traditionally been among the highest in the EU. Inequality and poverty rose during the economic crisis, which hit the Greek economy and labour market particularly hard. Increasing poverty rates have disproportionately affected the younger working-age population and the unemployed, while the elderly population has been less affected (Koutsogeorgopoulou et al., 2014). Nevertheless, old-age poverty is a challenge.

The government has taken measures to mitigate the effects of the crisis on households (Law 3746/2009). A Retiree Social Solidarity Allowance (RSSA) was granted to all persons who on 22 January 2009 belonged to the following groups: all types of pensioners receiving the EKAS (pension supplement), pensioners affiliated with the farmers' pension fund (OGA), persons with disabilities, and unemployed persons who are registered with the Public Employment Service (PES), called OAED or the Greek Manpower Employment Organisation. Those who were entitled to the allowance received between EUR 100 and EUR 200, depending on the area of residence (Karantinos, 2012). The age limit for being granted the RSSA has been raised from 60 to 64 and then to 65 thereafter (Law 4093/2012, Law 4147/2013 and Law 4237/2014). The raising of the age for receiving an RSSA serves as a disincentive to retire. Retirees receiving the total disability allowance or the extra-institutional benefit and other vulnerable groups are exempted.

A law adopted in 2012 (Law 4093/2012) provides for a minimum income scheme experiment to take place in 2014 in two geographical areas with different socio-economic profiles. The scheme will be targeted at an extremely poor population and will provide income assistance in combination with other initiatives to combat social exclusion (OECD, 2013).

Disability benefits

Employees with severe disability (80-100%) receive a full pension, while employees with ordinary disability (67% to 79.9%) fulfil the criteria for minimum pension entitlement (75% of the full pension) provided they have completed the minimum required contribution period. The invalidity level is evaluated by the Disability Certification Centres (KEPA).

Previously, disability pensions were relatively generous compared to other social benefits in Greece and the coverage was relatively high, although Greece spent comparatively less on disability benefits as a

percentage of GDP compared to other OECD countries (OECD, 2013). The number of contributory disability benefit recipients increased between 2009 and 2010 from 3.5% to 4% of the working-age population, after having fallen in the pre-crisis period.

The Single Table of Disability Degrees was tightened in 2012. Together with changes to the table on hazardous occupations, this redefined the disability degrees of various diseases and removed some disabilities from the table (Karamessini, 2014). According to the OECD (2013), there are margins for tighter control and further opportunities for the activation of disability benefit recipients.

There is no systematic approach to support early return to work after a long-term illness, vocational rehabilitation or workplace adaptation. Employers do not receive financial support for these measures (Banoutsos, Papadopoulos and Fries-Tersch, 2016). It is recommended not only to restrict access to passive measures but also to promote activation and vocational rehabilitation of workers with health problems.

2. Encouraging employers to retain and hire older workers

2.1. Preventing discrimination in employment on the basis of age

Implementing current or new legislation

Law 4443/2016 replaced former national Law 3304/2005 against discrimination. The new law of 2016 incorporates, among other things, Directive 2000/78/EC on the equal treatment of persons irrespective of religion or belief, disability, age or sexual orientation in the field of employment and occupation. In accordance with the provisions of the above-mentioned law, direct or indirect discrimination against persons in the public and private sectors – by reason of race, colour, ethnicity or ethnic origin, birth, religious or other beliefs, disability or chronic illness, age, family or social status, sexual orientation, gender identity or gender in employment and occupation – is prohibited. The principle of equal treatment and the prohibition of discrimination on grounds of age, apply to all persons, as regards both the public and private sectors, in relation to: i) conditions for access to employment, to self-employment or to occupation, including selection criteria and recruitment conditions, whatever the branch of activity and at all levels of the professional hierarchy, including promotion; ii) access to all types and to all levels of vocational guidance, vocational training, advanced vocational training and retraining, including practical work experience; iii) employment and working conditions, including dismissals and pay; iv) membership of and involvement in an organisation of workers or employers, or any organisation whose members carry on a particular profession, including the benefits provided for by such organisations. Treatment on grounds of age is not regarded as discrimination if, within the context of law, that treatment is specifically justified by a legitimate aim, including legitimate employment policy, labour market and vocational training objectives, and if the means of achieving that aim are appropriate and necessary. For the first time, with Law 4443/16, that different treatment must be specifically justified.

The proper agents to apply the provisions of the anti-discrimination legislation of 2005 were the Labour Inspectorate in the private sector and the ombudsman in the public sector. The ombudsman publishes a report annually on complaints concerning discrimination in the public sector. The 2016 law stipulates that the ombudsman is responsible for monitoring and promoting application of the principle of equal treatment among the wider public and also, for the first time, the private sector. Thus, discrimination in the private sector will begin to be included in the ombudsman's annual reports. About half of the complaints submitted each year to the ombudsman about discrimination relating to work/employment in the public sector is on the grounds of age. A significant number of complaints concern the provision of an upper age limit for filling positions.

The body responsible for the statistical data on the subdivisions of Law 4443/2016 is, for the private sector, the Labour Inspectorate (SEPE). That data should also be sent to the ombudsman. With the new law, it is necessary that the ombudsman and the SEPE co-operate closely. The Labour Inspectors may examine cases regarding discrimination in the workplace, either following a complaint or by order of the ombudsman. The ombudsman can also conduct an investigation and come to a conclusion. As a result, the SEPE must inform the ombudsman when receiving a complaint related to Law 4443/2016. In order to formulate its final judgment on the case, and before imposing any sanctions, SEPE should wait for the ombudsman's conclusion. Any deviation from the ombudsman's conclusion must be explained in detail. Regional SEPE services also receive complaints concerning violations of the equal treatment principle that are filed before recruitment, for example regarding age-related issues during the selection process to be selected for a job.

Since enactment of the new law, efforts have been made to re-establish and reinforce co-operation between the Ombudsman and the SEPE with a view to making implementation of the anti-discrimination legislative framework more effective. A circular with instructions for co-operation between the two bodies was issued in April of 2017. Also, recently the ombudsman organised seminars to inform SEPE employees about the new framework. Further training seminars on the subject for SEPE employees are being planned by the Ministry of Social Security and Social Solidarity. It is hoped that improved co-operation and the training measures will contribute to increased awareness of the subject among inspectors, who in the past seldom tracked down cases of discrimination or unequal treatment (Karantinos, 2012).

Moreover, the local Labour Inspectorate services are responsible for imposing sanctions in case an infringement of the principle of equal treatment is found by the ombudsman, as the latter is an independent authority and does not have such powers.

Launching public awareness campaigns

No action relevant to older workers has been taken.

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

Labour market reforms introduced at the onset of the Great Recession have significantly increased labour market flexibility and reduced employment protection. The labour law reform of 2010, followed by an additional adjustment in 2012, significantly reduced notice periods. Following reforms in 2010, severance payments have nearly been cut in half. Prior to the reform, the severance pay system was relatively generous by European standards. One of the reasons for the previously high levels of severance payments was the inadequacy of unemployment benefits (Karantinos, 2012). Reforms also made collective redundancies easier. Law 3863 of 2010, amended in 2011, provided extra protection to employees close to retirement age. It stated that in collective dismissals, the number of dismissed persons aged 55-64 cannot exceed 10% of the total number of dismissed persons. Further measures included abolishment of tenure clauses in contracts of employees working in state agencies and public companies. Concluding temporary work contracts, part-time work, rotating work and temporary agency work has been made easier.

It has been argued that some of the measures instituted after the beginning of the Great Recession, such as individual work contracts, sub-minimum wages for the young, and cuts in severance payments are likely to negatively affect the older segments of the labour force. Older workers have lost the relatively supported position they previously enjoyed in the labour market (Karantinos, 2012). Given the high employment barriers linked to the low level of labour demand, the flexibility introduced into the labour market may not yet have induced positive employment effects on older workers.

2.3. Discouraging mandatory retirement by employers

By law in general, by sector/occupation, private/public sector, region

Mandatory retirement still exists for public sector employees. A new regulation adopted in 2011 repealed previous rules that prolonged the age limit for mandatory retirement by three years (until the maximum age of 65), which allowed civil servants with full pension rights to remain in active service. Those who were working through the previous provisions were automatically dismissed in 2011 as a response to the crisis.

2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers

For all older workers

Active ageing has not been a recent priority for the social partners. A project to promote active ageing, called “Innovative approaches to the implementation of social dialogue – The case of active ageing management”, which was financed through the European Social Fund (ESF) (by the Community initiative EQUAL) and implemented between 2005 and 2009, initiated a dialogue on age management issues between the social partners, developed a number of age management tools, and provided support to a small group of older persons (Georgiadou, 2013).

The Economic and Social Committee has commissioned studies, financed through the ESF, that in 2012 included a “Roadmap of active ageing in Greece 2012-2020”, a tool for age management practices targeted at human resource management.

Collective bargaining has been decentralised as a consequence of changes in the law that were made as part of the Memorandum of Understanding (Banoutsos, Papadopoulos and Fries-Tersch, 2016). It is important to encourage the social partners at enterprise level to negotiate on adapting human resource management and working conditions in a life-cycle perspective.

Review of the use of seniority wages

The minimum wages decided in 2012 and 2014 as a response to the debt crisis and the Memorandum vary with age. The minimum wage for white collar workers aged over 25 is increased by 10% for every three years of service up to three three-year periods and by 30% in total for nine or more years of service. The minimum wage for blue collar workers aged over 25 is increased by 5% for every three years of service up to six three-year periods, and by 30% in total for 18 or more years of service. Until the unemployment rate falls below 10%, the length-of-service increments over the minimum statutory wage are suspended for service completed after 14 February 2012. Individual employment contracts and collective labour agreements of any type may not set the amount of monthly regular wages or full-time wages below the minimum statutory wage.

Reforms to the employment regime and wage-setting system have led to a major fall in wages. Nominal wages declined by 16.3%, while real wages fell by 25.6% between 2009 and 2013 (Karamessini, 2014). According to Law 3889/2010 companies can, under certain conditions, bypass sectoral collective agreements and agree to lower wages individually. However, wages cannot be lower than specified in the general national collective agreement.

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce

Sharing knowledge and experience across different age groups

No specific action relevant to older workers has been taken. Single employers may have implemented this type of measure.

Adjusting the work responsibilities of older workers

No specific action relevant to older workers has been taken. Single employers may have implemented this type of measure.

Adjusting the working-time arrangements of older workers

New laws aiming to increase labour market flexibility were passed at the onset of the economic crisis (see above). New provisions included the transformation of a full-time employment relationship into part-time employment. In the public sector, part-time employment was established with Law 3986/2011. It provides the option to reduce working hours by up to 50% for up to five years. Part-time employment is fully counted as time spent in employment in calculating pension rights. In the private sector, legislative measures have been passed giving employers a right to reduce working hours unilaterally (Georgiadou, 2013). The incidence of involuntary part-time employment eventually increased more steeply among older workers than among prime-age workers during the crisis, although the incidence of part-time employment is still significantly below the OECD average.

Other issues such as internal job mobility, further training, workplace adjustment, age discrimination, mandatory retirement

During the past few years the social partners have implemented vocational training actions funded by the ESF. The actions put forward by the social partners usually address sectoral or local/regional labour market needs, and often combine training with guidance and counselling services and work placements to provide on-the-job experience (Karantinos, 2015).

3. PROMOTING THE EMPLOYABILITY OF WORKERS THROUGHOUT THEIR WORKING LIVES

3.1. Enhancing participation in training by workers in their mid- to late careers

Providing guidance services

No actions relevant to older workers have been taken.

Providing access to training adjusted to the experience and learning needs of older workers

Low-skilled older workers face a particularly high risk of being long-term unemployed. The transition rates of low-skilled older workers out of unemployment into employment are the lowest in the EU (European Commission, 2016). The participation of older workers in training is low and has only received little interest in Greece; little has been done to increase their participation (Karantinos, 2012).

Focused training actions for older people are occasionally developed by municipalities or by NGOs (e.g. by 50plus Hellas: www.50plus.gr, accessed 19 February 2018).³ The objective of these NGOs is to promote better health and quality of life for people older than 40. Their main activities are raising awareness and providing support for older people to combat age discrimination and promote lifelong learning (Georgiadou, 2013). Since 2012, 50plus Hellas has been providing free ICT training to older people with the support of a national telecommunications company and local authorities.

Adapting teaching and learning methods and content to the needs of older workers

No actions relevant to older workers have been taken.

Promoting lifelong learning and development of the adult vocational education and training system

Training measures were not a priority among ALMPs at the onset of the crisis. Priority has instead been given to the participation of young persons, women, the long-term unemployed, and the unemployed from the so-called vulnerable groups of the labour force (the disabled, ex-detainees, ex-substance users, immigrants, asylum seekers, ethnic and religious minorities, etc.). With unemployment sharply rising since 2009, budgets spent on training measures were significantly reduced as priorities were set on other ALMPs such as subsidies and direct job creation. In recent years, training measures have mainly been financed through ESF programmes. The second half of 2014 saw the launch of the programme “Training vouchers in sectors of economic activity with obligatory guaranteed employment”, which provides vocational training for unemployed adults. It targets 16 620 low-skilled unemployed workers aged 29-64. Three sectors of economic activity were chosen because of the potential they offer for growth and jobs: construction, waste management, and ICT. The demand-side orientation of this new programme can be regarded as an improvement.

A training voucher for 23 000 unemployed persons aged 29-64 was introduced in 2016 in cutting-edge sectors of the economy that have the potential to create jobs: trade, logistics, infrastructure and technical professions, tourism, information and communication technologies (ICT), environment and waste management, energy, etc. The programme comprises theoretical training, on-the-job training, certification and counselling, and the total budget earmarked amounts to EUR 89 million. Employers who recruit someone from the pool of beneficiaries of the action may be subsidised through different actions.

Setting up mechanisms for recognising and validating skills

No actions relevant to older workers have been taken.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

Key features of the Greek labour market are the very high level of unemployment, the high level of informal employment, deep segmentation of the labour market, and a high share of self-employment among older workers.

Greece spends a comparatively low percentage of its GDP on ALMPs. Before the crisis started, expenditures as a percentage of GDP were only one-sixth of the EU average while the unemployment rate was slightly above EU average. The share of expenditures increased as GDP decreased, but their development has lagged far behind the strong increase in unemployment, which rose from 8.4% in 2007 to

3. www.age-platform.eu/age-member-news/50plus-hellas-provides-free-ict-training-older-people (accessed 19 February 2018).

26.5% in 2014. In 2014, 1.3 million people were unemployed, of whom 94 000 were aged 55-64. Few people participate in an ALMP compared with other OECD countries (as measured by participants per 100 jobseekers).

In accordance with the Greek National Reform Programme 2010-2013, OAED undertook reforms to enhance incentives for work. Measures included enforcement of the mutual obligation principle. Synergies would be established between the PES and civil society for appropriate screening of recipients, decentralisation of services and implementation of programmes targeting the unemployed and/or vulnerable groups (Karantinos, 2012).

Regarding employment services for older workers, no recent study is available. However, previous studies revealed that the unemployed in search of work utilise mainly unofficial or other methods, namely by applying to employers directly and asking relatives and friends. Although the age variation in these estimates is unknown, it is safe to assume that older jobseekers are overrepresented among the unemployed in using informal labour market information channels, mainly because of their low educational attainment (Karantinos, 2012).

It is crucial to strengthen activation programmes and to evaluate their effects in promoting employment. The OECD has already recommended that Greece make access to unemployment benefits contingent on stricter obligations for participation in training and employment service programmes, as well as on active job-search requirements as soon as the economy improves (Koutsogeorgopoulou et al., 2014).

The full rollout of the national mechanism for anticipating labour market needs in skills and occupations has contributed significantly to improve the efficiency of ALMPs, since the outputs of the mechanism are used by the policy makers to feed into the design of ALMPs and vocational education and training programmes (VET).

Targeting workers most at risk of long-term joblessness

Greece has set in place a few programmes targeted at the most disadvantaged groups. One of them is a subsidy programme created in 2013 to support the recruitment of 1 000 disadvantaged and very disadvantaged persons, among whom are unemployed individuals over 50 years old.

In 2014, a public works programme was implemented for 50 000 persons. An assessment of this programme showed that it did not reach a number of set objectives. In particular, it was found not to be effective at targeting the most disadvantaged groups or at sufficiently improving the financial situation of participants and their employment prospects after participation. Nevertheless, the efficiency of the programme was judged to be higher than that of previous programmes. In August 2015, a new round of short-term public works programmes was launched, targeting 19 000 jobless households, the long-term unemployed and young people not in education, employment or training (NEET) (EEPO, 2015).

In 2016, the public works programmes were redesigned. The new programmes for reintegration into the labour market now include placement into additional jobs that do not substitute for permanent jobs but that meet the needs of the municipality with skills upgrading of the unemployed. They are being implemented first in 17 municipalities in the country facing high and long-term unemployment incidence rates, and secondly in 34 other municipalities; finally they will gradually be extended to all 274 municipalities of Greece. The beneficiaries receive placements in municipalities including first reception services for refugees and asylum seekers. In total, about 50 000 persons are expected to benefit from the above-mentioned programmes. The duration of the new public works programmes is eight months, during which beneficiaries enjoy full social security and labour rights and have the chance to upgrade their skills through training and obtain certification for the skills obtained. Unemployed jobseekers aged over 45 who

apply to participate to the public works programmes are awarded extra points and enjoy priority in the selection procedures.

Providing employment/hiring subsidies to firms

Smaller programmes were introduced in recent years that subsidise social security contributions or create jobs for some disadvantaged groups and older workers. Programmes that are already closed included the following:

- i. A programme launched in 2007 granted subsidies to firms for hiring 2 500 unemployed persons close to the retirement age who did not meet the criteria for retirement from a main insurance institution.
- ii. A special two-year programme launched in 2010 aimed at the recruitment of 25 000 unemployed persons close to retirement, long-term unemployed women above the age of 45, and unemployed women above the age of 50.
- iii. Employment programmes in the public sector targeted unemployed persons receiving unemployment benefits and the long-term unemployed aged 55-64. The objective was to cover participants' social needs and to help them meet their retirement requirements through, for example, providing firms with hiring subsidies. One of these, launched at the end of 2011, was a programme co-financed by the ESF that aimed to support regions and municipalities with the recruitment of 5 000 workers aged 55-64 who lost their jobs after July 2010. The subsidy amounted to EUR 25 for each day of full-time employment for a period of 24 months. Companies were required to employ programme participants after termination of the subsidy for at least another three months.
- iv. In 2014 a subsidy for firms to recruit 11 000 unemployed persons aged 25-66 in the private sector was launched. Companies were required not to have reduced their staff or changed the employment status of their staff, e.g. from full time to part time, during the term before the (calendar) date of their application to be eligible to participate in the programme.
- v. In 2014, another subsidy programme co-financed by the ESF was implemented that sought to subsidise the recruitment of 10 000 unemployed individuals aged 30-66 in the private sector. The subsidy amounted to EUR 18 for each day of full-time employment for a period of 12 months.
- vi. In 2014, a subsidy programme was set up aiming to support the recruitment of 10 000 beneficiaries of "local plans for employment adjusted to the needs of the local labour markets" and "local actions for the social integration of vulnerable groups." It also was co-financed by the ESF. The target group included the long-term unemployed who were over 45 years old.

In 2016 a subsidy programme was set up for the employment in companies of 15 000 unemployed persons aged over 50 who are particularly disadvantaged. The aim of the programme was to create 15 000 new full-time jobs by recruiting people in a particularly disadvantaged position and over 50 years of age in private companies, Social Cooperative Enterprises (KOINSEP) and other private employers. The programme was redesigned and in 2017 two new employment programmes were introduced for the employment in full-time jobs of a total of 1 000 unemployed persons aged over 50. The scheme is targeted both at disadvantaged unemployed persons aged over 50 who remain unemployed over six months, and at particularly disadvantaged long-term unemployed persons aged over 50 who remain unemployed over twelve months. The total duration of the subsidy is nine months, which may be extended another nine months upon employer's request; in either case it is mandatory that the employers keep the staff for at least three additional months without subsidy.

In 2017, a subsidy programme for enterprises, institutions and organisations in the public sector and enterprises of municipalities and regions was launched for the employment of 10 000 long-term unemployed persons aged 55-67.

Providing other active labour market policies

No actions relevant to older workers have been taken.

3.3. Enhancing job quality for older workers

Strengthening workplace safety and physical and mental health

The Legal Code on Health and Safety of Workers was ratified in 2010. Applicable legal provisions on safety and health at work are generally considered to be effective, regardless of employees' ages. On a policy level, the National Strategy for Safety and Health at Work (2010-2013) was adopted. A new Law 3850/2010 has merged several laws and presidential decrees regarding occupational health and safety matters. It includes provisions regarding consultation of workers; the right of workers and their representatives to make proposals; and balanced participation in accordance with national laws and practices. In companies with fewer than 50 employees, workers have the right to set up safety and health representatives acting as consultative bodies. They advise employers on occupational safety and health (OSH) measures. The need for enforcement in this area is mentioned in the Greek national strategy for OSH measures for the period 2010-2013. Different surveys and studies conducted in the past as well as recently indicate weak implementation of the law (Koukoulaki, Georgiadou and Dontas, 2017). It is crucial to monitor implementation of the law and to take appropriate measures to ensure its implementation.

The New National Strategy for Security and Health at Work (2015-2018) supports co-operation with research institutes to identify new and emerging risks as well as challenges in high-risk sectors. In 2012, the Ministry of Employment, Social Security and Social Solidarity published a "Guide on the Protection of Older Workers" and recommendations for promoting active ageing in workplaces.

Reducing the incidence of arduous/hazardous work

Trade unions have claimed actions to reduce arduous/hazardous work since negotiations were held about the shortening of the list of occupations and activities regarded as arduous/hazardous.

Balancing professional and family responsibilities

The programme "Help at Home" offers care services at home for elderly people who are family members dependent on unemployed persons or persons threatened by unemployment. Its objective is to enhance employability and equal participation in the labour market for those with caregiving responsibilities. It also improves the quality of life of older people. The programme has been implemented at the municipal level throughout the country since 2005 and is financed by the ESF.

Table 1. Late Career Scoreboard, Greece, 2006 and 2016

	Greece		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.30	0.36	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	62.1	62.0	62.0	63.4	63.6	65.1
Women	61.6	60.2	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	34.7	31.7	38.3	45.4	47.0	50.8
of which 50-54	67.0	61.5	73.1	77.9	73.8	75.7
55-64	42.5	36.3	43.3	55.3	52.7	59.2
65-69	10.0	8.7	9.1	12.1	20.3	25.5
70-74	3.6	1.5	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.55	0.41	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	5.4	7.0	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	79.4	42.4	85.4	78.9	87.3	85.2
Average number of weekly hours worked	19.5	18.7	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	7.0	7.7	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	56.5	54.8	24.1	19.7	38.0	32.8
-- Full-time earnings, ^d 55-64 relative to 25-54 (ratio)	1.23	1.38	-	-	1.09	1.10
Dynamics						
-- Retention rate ^e after 60 (% of employees t-5)	43.4	27.8	37.1	48.8	40.3	50.3
-- Hiring rate, ^f 55-64 (% of employees in the age group)	6.8	6.7	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	3.7	19.2	6.1	6.4	4.3	4.6
-- Incidence of long-term ^g unemployment, 55-64 (% of total unemployment in the age group)	58.2	82.9	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^h 55-64 (% of population in the age group)	0.5	1.6	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	13.1	20.9	17.2	22.9	20.0	26.2
-- Participation in training, ⁱ 55-74 (% of employed in the age group)	-	1.9	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	-	0.38	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) Mean gross hourly earnings. Year 2016 refers to 2014.

e) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously. Year 2006 refers to 2008.

f) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

g) Unemployed for more than one year.

h) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.

i) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Greece, 2007 to mid - 2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
<i>Raising the statutory age of retirement</i>	++
<i>Facilitating phased retirement</i>	/
<i>Better combining of pensions and work income</i>	/
<i>Rewarding longer careers</i>	/
1.2. Towards restricted use of early retirement schemes	
<i>Restricting access to publicly funded early retirement schemes</i>	+?
<i>Introducing specific provisions for arduous/hazardous work</i>	+
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
<i>Unemployment (insurance and assistance) benefits</i>	+?
<i>Social aid</i>	+
<i>Disability benefits</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Implementing current or new legislation</i>	+
<i>Launching public-awareness campaigns</i>	/
2.2. Taking a balanced approach to employment protection by age	
<i>Implementing age-neutral measures</i>	+
2.3. Discouraging mandatory retirement by employers	
<i>By law in general, by sector/occupation, private/public sector, region</i>	?
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
<i>For all older workers</i>	/
<i>Review of the use of seniority wages</i>	/

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce	
<i>Sharing knowledge and experience across different age groups</i>	/
<i>Adjusting work responsibilities of older workers</i>	/
<i>Adjusting working-time arrangements of older workers</i>	/
<i>Other issues such as internal job mobility, further training, workplace adjustment, age discrimination, mandatory retirement</i>	+
3. Promoting the employability of workers throughout their working lives	
3.1. Enhancing participation in training by workers in their mid- to late careers	
<i>Providing guidance services</i>	/
<i>Providing access to training adjusted to the experience and learning needs of older workers</i>	+
<i>Adapting teaching and learning methods and content to the needs of older workers</i>	/
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	/
<i>Setting up mechanisms for recognising and validating skills</i>	/
3.2. Providing effective employment assistance to older jobseekers	
<i>Promoting an all-age mainstreaming activation approach</i>	/
<i>Targeting workers most at risk of long-term joblessness</i>	+
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing other active labour market policies</i>	/
3.3. Enhancing job quality for older workers	
<i>Strengthening workplace safety and physical and mental health</i>	+?
<i>Reducing the incidence of arduous/hazardous work</i>	/
<i>Balancing professional and family responsibilities</i>	+
<p>++ = Substantial action taken. + = Some action taken, but more could be done. +? = Some action taken, but requires further assessment. ? = Some action taken with negative impact. / = No relevant action taken. ✓ = No action needed.</p> <p>Source: Assessment based mainly on answers by Greece to several OECD questionnaires.</p>	

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