Greece 2020 – Factsheet on Skills and Employment

- The transition from education to work remains challenging in Greece and skills mismatch is high.

- Systematic skill mismatches in the labour market hinder long run productivity growth and potential output.

- Greece exhibits high degree of overqualification of tertiary education graduates, who end up taking positions that do not match their skills.

- The brain drain continues to be a challenge in Greece.

- Underachievement in basic skills among students remains high in Greece and heavily affected by the socio-economic background.

- The attractiveness of vocational education and training is low, although graduates have better employment prospects.

- The share of companies that provide training and vocational programmes to develop the information and communication technology skills of their personnel increased slightly in 2019 (from 14% to 15%) but remains well below the euro area average (25%).

- The shortage of digital skills remains a major obstacle for Greece in digitally transforming its society and the economy, weighing negatively on the country's growth prospects.

- Supporting sustainable growth, modernising the Greek economy and speeding up labour market recovery will require skilled workers and better links between education and labour markets.

- There is significant potential in up-skilling and re-skilling the labour force, especially in terms of digital skills.

1. FACTS & FIGURES

European Skills Index (ESI)

According to the ESI, a metric created by the Cedefop in order to provide an overall assessment of the EU's skills system, Greece ranked second from the bottom both in the 2018 and 2020 reports, surpassing only Spain and Italy, respectively. The data collected refer to 2016 and 2018, respectively. The metric is composed of three indicators: skills development, measuring the output of the educational system in terms of acquired skills, skills activation, measuring the extent to which the available skills are active and used in the labour market, and skills matching, measuring the degree of effective utilisation of the skills of the workforce.

- Greece had a composite index of 30 in the 2020 report (23 in 2018 report), with scores 43 (41 in 2018) in development, 45 (43 in 2018) in activation and 17 (9 in 2018) in matching of skills. A score of 100 marks the level of ideal performance.
- In terms of relative rankings, Greece was 5th from the bottom in development, 4th from the bottom in activation, and last in skills matching, both in the 2018 and the 2020 reports.

According to those measures, Greece has extreme skills mismatching problems, despite its slight improvement in the last two years, including a high degree of overqualification of tertiary education

graduates, who end up taking positions that do not match their skills. Moreover, there is significant room for growth in the other two categories. The problematic skills system connected to the persistently low employment rate of the Greek economy, especially since there is ineffective matching of prospective employers with the employees best-fit to fill the job vacancy.

*Figure 1: European Skills Index, 2020 (best score =100), EU-28*
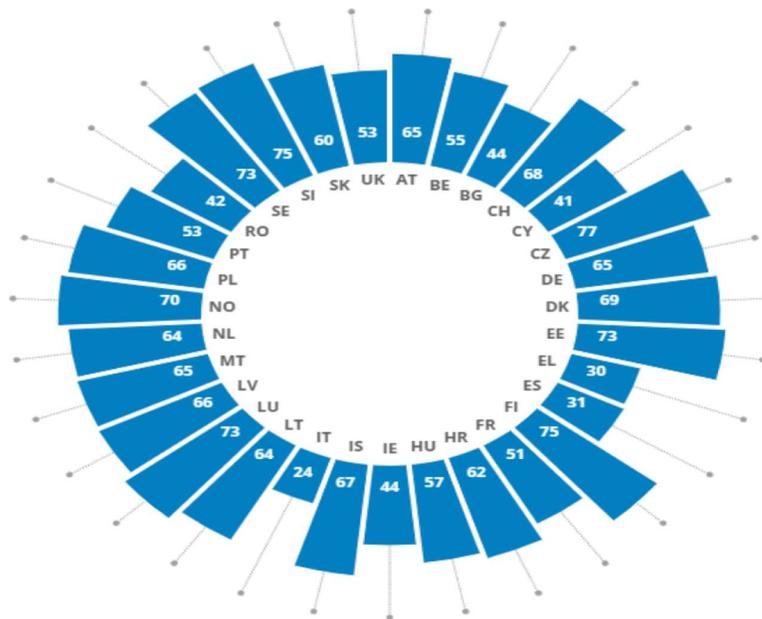
Source: Cedefop ESI Technical Report, 2020

Skills mismatch in Greece (employees view)

In relation to qualifications matching, according to the Cedefop ESJ survey, conducted in 2014, Greece was on par with the EU-28 average on the percentage of its workforce that believes to be underqualified, at 12%, while the (self-perceived) overqualification level stands at 13% (compared to a higher EU-28 average overqualification level of 17%), with around 10% of them being tertiary-education graduates.

Figure 2: Average Incidence of Qualification Mismatch, Adult Employees, 2014, EU-28
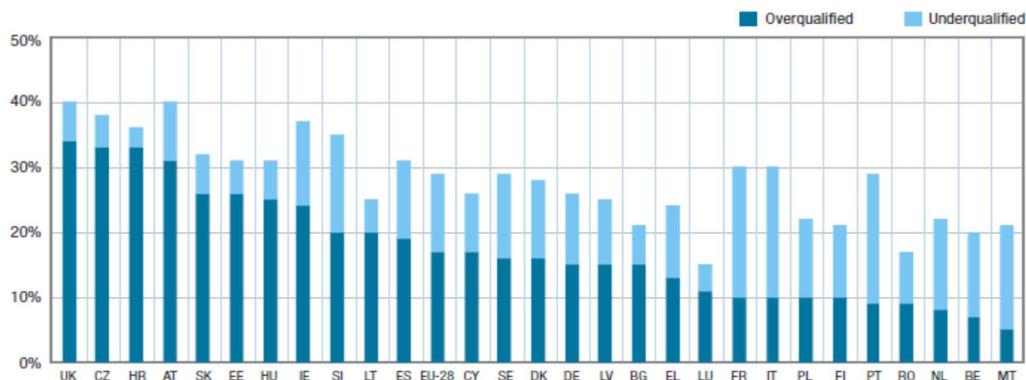
Source: Cedefop ESJ survey, 2014

However, in relation to skills matching, Greece's workforce suffered from a significant (self-perceived) skill mismatch compared to the rest of the EU, with a majority of Greek employees reporting that they have either higher or lower skills than those required for their job, and 46% perceiving themselves as over-skilled (second highest rate among the EU, excluding the UK).
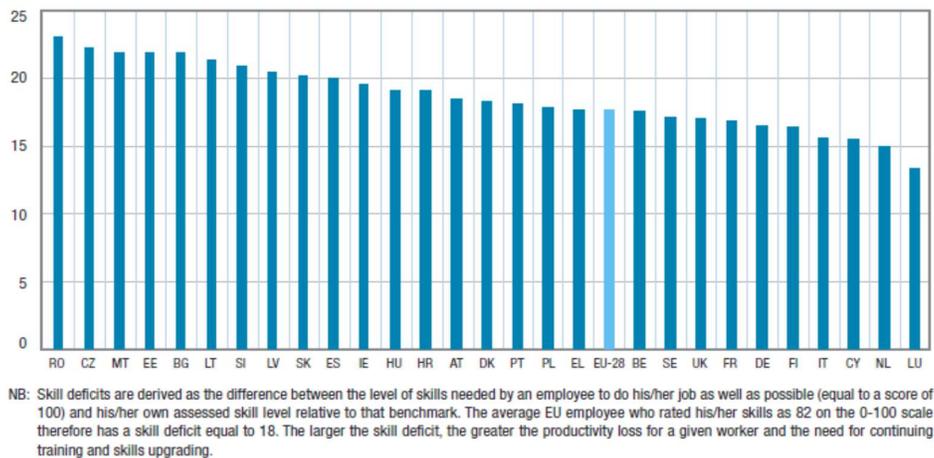
Figure 3: Incidence of Skill Mismatch, Adult Employees, 2014, EU-28
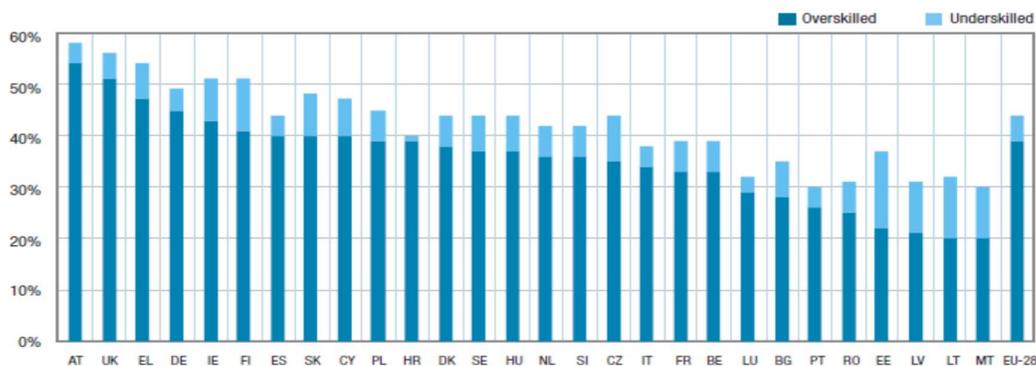
Source: Cedefop ESJ survey, 2014

Furthermore, according to the skill deficit metric, which measures the average worker's perceived job-growth potential, i.e. the extent to which he has mastered the skills needed for his job, regardless of whether he is over-skilled for it or not, Greece stood at the EU average level of 18%. Hence, there is significant room for improvement.

Figure 4: Average Skill Deficit by EU member state, Adult Employees, 2014, EU-28

NB: Skill deficits are derived as the difference between the level of skills needed by an employee to do his/her job as well as possible (equal to a score of 100) and his/her own assessed skill level relative to that benchmark. The average EU employee who rated his/her skills as 82 on the 0-100 scale therefore has a skill deficit equal to 18. The larger the skill deficit, the greater the productivity loss for a given worker and the need for continuing training and skills upgrading.

Source: Cedefop ESJ survey, 2014

Consequently, although a large percentage of the Greek workforce perceived itself as over-skilled, it did not feel particularly overqualified or with significant skill deficits compared with the EU average. Perceived mismatches may of course differ from actual ones, while the actual mismatches are really important, since lower actual skill deficits are associated with higher labour productivity.

According to the same Cedefop ESJ survey, 63% of Greek workers needed at least a fundamental level of ICT skills in their job, one of the lowest levels in the EU. For comparison, the EU average was 71%. Furthermore, there seemed to be a stark divide on the rest of the workforce, with significant parts having both virtually no need or advanced level need for digital skills in their job. Hence, beyond some jobs

(around 20% of the total) requiring a high level of digital expertise, there seemed to be little need of ICT skills use for the majority of the Greek workforce in their jobs.

Skills mismatch in Greece (employers view)

In contrast to the employees view, around 60% of Greek employers reported difficulties in filling job vacancies, according to a 2016 survey by Manpower, a number surpassed in the EU only by Hungary, Romania and Bulgaria. This underlines the stark differences in the way Greek employers and employees evaluate the skill presence in the Greek labour market. It also indicates the skill mismatching problem plaguing the Greek economy.

Figure 5: Percentage of employers reporting difficulty filling jobs, 2016, 44 countries
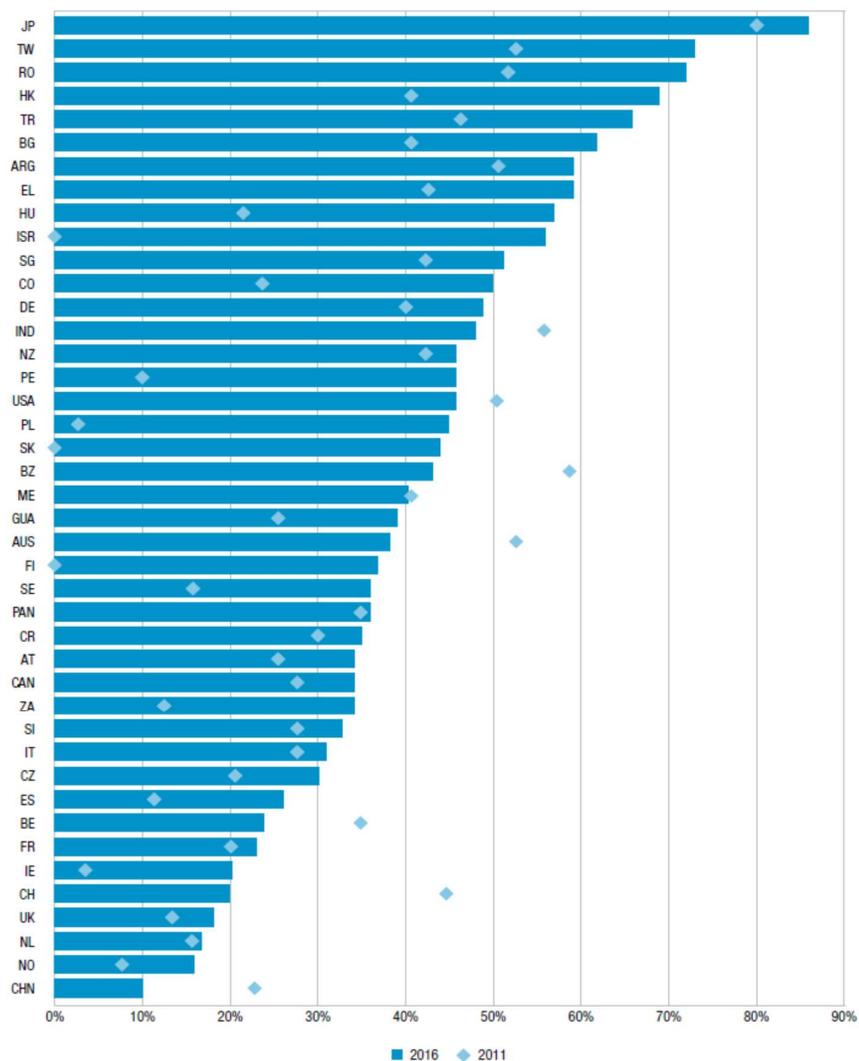
Source: Manpower Group: Talent shortage survey 2016/17

The attractiveness of vocational education and training is low, although graduates have better employment prospects. The proportion of upper secondary students enrolled in vocational education and training was far below the EU average (28.8% compared with an EU average of 47.8% in 2017) and has been decreasing

since 2013. Following the adoption in 2016 of the national strategic framework for upgrading vocational education and training, including through apprenticeships, significant steps have been taken to improve the training content and the quality of teaching, as well as to expand dual learning, which combines learning at school with working as an apprentice. In 2018, the employment rate of recent vocational education and training graduates was 5 percentage points higher than that of graduates from general upper secondary education. There is still significant room to better align vocational education and training with labour market developments, including by updating the occupational profiles (setting out the required skills) and using the outputs of the national mechanism for diagnosing labour market needs.

Shortage in digital skills (DESI)

With respect to digital skills in specific, according to the European Commission's 2020 Digital Economy and Society Index (DESI), whilst Greece improved its scores on the human capital chapter, making progress in almost all of the related indicators, the country remains below the EU average, as in 2019 only 51% of people aged 16-74 appeared to have at least basic digital skills, to an EU average of 58%. In terms of above basic digital skills, Greece is also underperforming, at 23% of individuals possessing such skills, versus an EU average of 33%. The share of ICT specialists in total employment continues to improve at the same pace as the last three years but remains low (1.8%) compared to the EU average of 3.9%. Such performance weighs negatively on the country's growth prospects, as shortages in advanced digital skills weigh on productivity, as they delay the uptake of advanced digital technologies, which are all the more pertinent in the post-pandemic recovery.
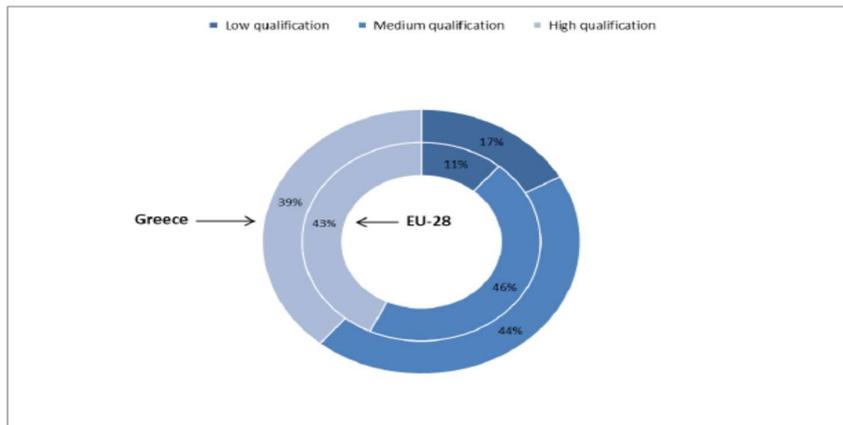
Skills forecast (Cedefop)

Although comprehensive data on the skills profile of migrants are not available, several sample studies conducted in Greece have confirmed that the emigration wave during the crisis primarily concerned young people with a high level of education (often in medicine or engineering) and previous work experience (Lazaretou, 2016). Many of those who left were able to advance professionally and gain valuable experience. This could prove an asset for the ongoing economic recovery especially through innovative start-up businesses that could attract those thinking about returning to Greece.

According to the 2018 Skills Forecast by Cedefop, employment growth in Greece is expected to surpass the EU-28 average (4.6% to 2.6%) during the next 5 years, and stagnate afterwards. However, a greater percentage compared to the EU average of this job growth will be about jobs that need low qualifications (17% to 11%). Hence, there are mixed expectations in the job growth front. Cedefop expects that a greater percentage of skill supply will be of low qualification compared to the EU average. The opposite will hold for medium qualification jobs.

By 2030, the supply of high qualified workers is expected to exceed the demand (41% to 39%). The same for the low ones (24% to 17%). However, a shortage is expected for medium qualification jobs (a demand of 46% and a supply of 35%). This situation could worsen the skills mismatch problem, unless policy actions are put in place that change the underlying trends.

Figure 6: Share of total job openings by level of qualification, 2016-30

Source: Cedefop (2018 Skills Forecast)

Figure 7: Labour force share by level of qualification, 2016-30
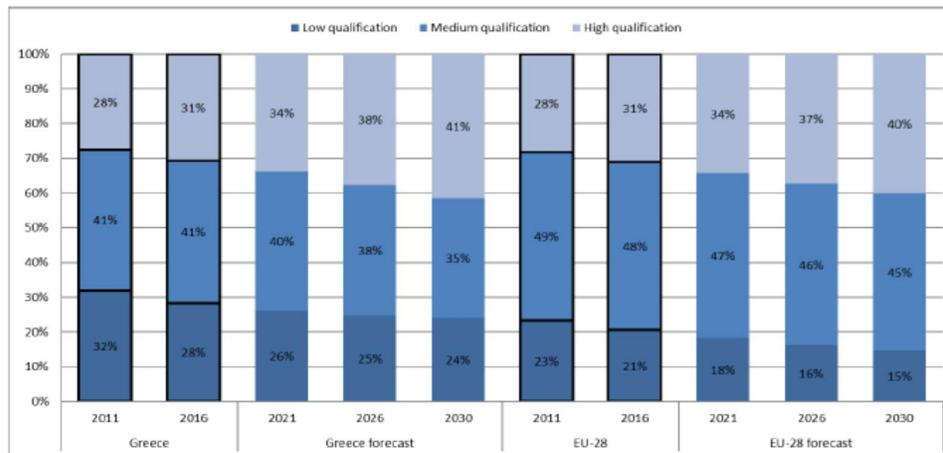
Source: Cedefop (2018 Skills Forecast)

2. Open Discussion Questions

• What policies can help to alleviate the significant skills mismatch of the Greek workforce: excess of (i.e. over-qualified workers combined with specific skill shortages)?

• How can Greece tackle the 'brain-drain', providing the right incentives for its talent to return and remain in the country?

• How can we better align the education system and vocational education and training with emerging needs in the labour market?

• What are the opportunities that rise from the EU Next Generation Plan in order to invest in upskilling and reskilling?

• How can we enhance the level of digital skills needed in the available jobs, particularly in the light of a new growth model focusing on innovation, R&D, digital transformation and sustainability?

• What policies can lead to a higher percentage of the projected job openings being for medium and high skills, instead of low qualification jobs?

3. Sources

CEDEFOP ESJ survey, 2014

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