

Greece

The interplay of supply- and demand-side instruments in financing CVT/ adult learning (in particular job-related)

In Greece, adult education had been expanded mainly after country's accession to the EU and by partaking in relevant EU policies. The central state funds formal and non-formal general adult education mainly based on supply-side funding arrangements. Local authorities provide support for non-formal education, although based on supply-side funding instruments. A national training fund with mandatory contributions of employers and employees constitutes the most important source for funds for non-formal education, which are distributed partly by supply-side, partly by demand side funding instruments. The Greek adult education sector has been strongly affected by the austerity measures in the aftermath of the 2008 economic and fiscal crises and very low and decreasing public spending, also as a consequence of the financial and economic crisis.

Demand-side instruments in financing CVT/ adult learning (in particular job-related)

- **Key institutions involved and funding sources**

A large number of institutions, fully or partly subsidised by the state, provide general adult education. The Secretariat General for Vocational Education and Training, Lifelong Learning and Youth of the Ministry of Education and Religious Affairs is the key responsible administrative unit for Adult Education and Training. The Greek Manpower Organization (OAED) is the public body responsible for the management of the national training fund.

- **Instruments targeting individuals**

Overall, in Greece, demand-side schemes are scarce. Employees can receive up to 100% refund from a funding line attached to the training fund (LAEK [#73](#)). Other schemes (e.g. a loan scheme for students [#74](#), a voucher scheme for individual training costs) had been formally introduced, however, never put into practice due to a lack of allocated funds.

- **Instruments targeting companies**

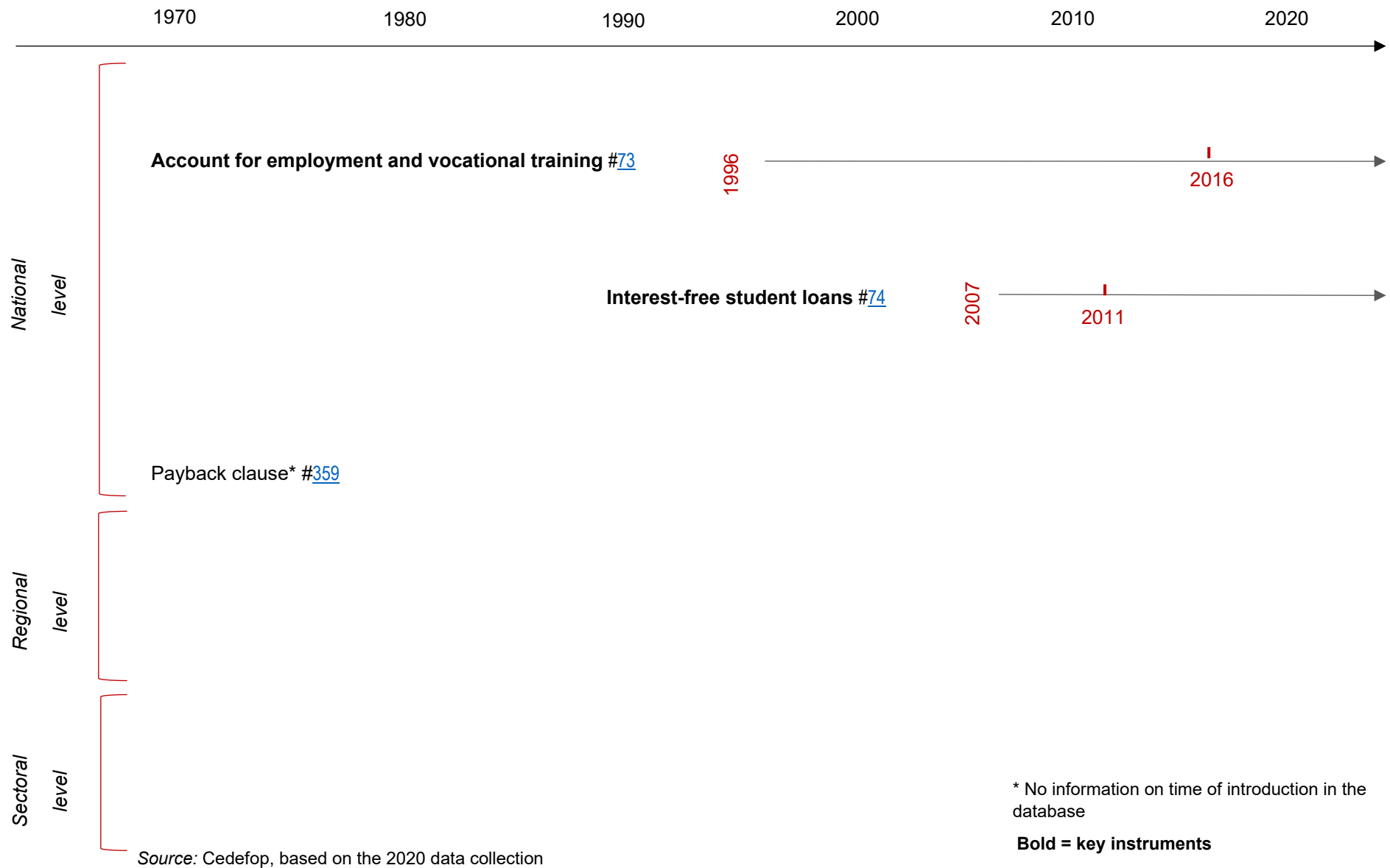
Employers may receive full reimbursement of their direct or indirect (wage costs) training costs up to their contributions to the mandatory training fund (LAEK [#73](#)). Moreover, they receive 70% of the training costs exceeding their contributions. The training funds constitute the core of the funding system for job-related adult learning in Greece, with further funding lines supporting initial vocational education and the training of the unemployed. It is financed through the payment of companies of 0.24% of the payroll.

Table 1. Overview of demand-side financing instruments in Greece by 2020

Level of implementation	Importance of the level of implementation	Overall importance of the instrument	Demand-side instruments targeting individuals		Demand-side instruments targeting companies	
National level	High	Key instruments	Loans	Interest-free student loans #74	Training funds	Account for employment and vocational training (LAEK) #73
		Further instruments			Payback clause	Payback clause #359
Regional level	Moderate	Key instruments				
		Further instruments				
Sectoral level	Moderate	Key instruments				
		Further instruments				

- Evolution of demand-side instruments over time

Figure 1. Overview on the evolution of demand-side instruments in Austria until 2020



- **Statistics on volumes of funding and beneficiaries**

Table 2. Statistical data on volumes of funding and beneficiaries

ID	Name of the instrument	Year of reference	Volume of funding (EUR)	Year of reference	Beneficiaries (individuals)	Year of reference
<u>73</u>	Account for employment and vocational training (LAEK)	2019	20 000 000	2018	67 460	2018
<u>74</u>	Interest-free student loans	Not available	Not available	Not available	Not available	-

Source: Cedefop, 2020 data collection (^e = estimate)

Table 3. Short description on the financing instruments

ID	Name	Level of implementation	Importance of the instrument	Short description
(1) Training funds				
73	Account for employment and vocational training (LAEK)	National	Key instrument	The Greek Manpower Organisation (OAED) provides every company in the private and public sectors the possibility to train their staff, taking advantage of the Account for Employment and Vocational Training (LAEK). Employers are obliged by law to contribute a proportion of the payroll (0.24% since July 2014) to the fund. The funds are then used to subsidize training costs of companies. Companies can receive 100% of their contributions back to cover their training costs. The funds for refunding employers' training costs are collected together with contributions for covering costs of initial vocational education and training and training of the unemployed, yet are treated as separate funding streams. The objective of the in-company training programmes covered by the fund is to train employees in subjects that respond to the needs of the company and increase the productivity of their employees. Staff eligible for the training is those insured with the Greek Social Security Institute (IKA) and belonging to one of the insurance branches of OAED. No preferential treatment is applied.
(2) Tax incentives for companies				
No tax incentives for companies established.				
(3) Tax incentives for individuals				
No tax incentive for individuals established.				
(4) Grants for companies				
No grant for companies established.				
(5) Grants for individuals				
No grant for individuals established.				
(6) Loans				
74	Interest-free student loans	National	Key instrument	Undergraduate students have the right to receive an interest-free student loan from credit institutions of the Greek State. The eligibility criteria for receiving the loan include the academic performance of the student and their personal or family socioeconomic conditions. There is no age limit, nor are there specific rules applicable to all higher education institutions. Higher education institutions are autonomous and each university or even department within universities can decide if and how to implement aspects of it. In addition, an earlier law (Law 2413/1996) foresees that Greek students subscribed to post-graduate and doctoral studies in Greek Universities have the right to interest-free student loans. However, none of the legislation has been implemented in practice. A more recent law (Law 4701/2020) which foresees "easy loans" of up to EUR 25 000 for a range of target groups, including students, has not been implemented yet either.
(7) Training leaves				
No training leave established.				
(8) Payback clauses				

[359](#)

Payback clause

National

Further instrument

In Greece, the applicable laws set no explicit limitations to a payback clause, that is an agreement between employer and employee on the payback of training costs covered by the employer in case of voluntary termination of the employment by the employee. The parties can freely agree on any component of the payback clause. Agreements deemed unfair, however, can be challenged in the Labour Courts. Overall, the application of payback clauses for training costs is perceived as of limited importance within the overall co-funding arrangements for CVT.