

PANORAMA

The financing of vocational education and training in Greece

Financing portrait

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J. Tsekouras
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Foreword

At the end of 1997, Cedefop launched a project to produce financing portraits of vocational education and training (VET) systems within individual Member States of the European Union. The portraits combine a qualitative description of the flow of funding through VET structures, identifying funding sources and allocation mechanisms, with quantitative data on expenditure for different training types. Reports are structured around initial vocational training, continuing vocational training and training for unemployed people.

Cedefop asked individual national authors to follow a uniform structure for presenting their financing training systems. This centred on the following issues on initial and continuing vocational training and training for unemployed people:

- outlining economic, political, legal and administrative backgrounds to financing VET;
- defining different types of training according to the national context;
- identifying funding sources (e.g. European Union, central government, regional/local government, employers, individuals, etc.);
- explaining mechanisms for distributing funding;
- identifying spending levels over 10 years (1986-96 or most recently available years);
- concluding and discussing trends and perspectives of financing VET.

Authors were requested, where possible, to distinguish between private/public and direct/indirect funding sources and to identify capital and revenue funding. They were also asked to provide a breakdown of spending according to different sources of funding for each training type.

While defining a common structure for each report allows for broad comparisons between different systems and easier cross-referencing between reports, it does not allow for detailed transnational comparisons. It was acknowledged from the beginning that creating comparable reports would not be possible for several reasons, including:

- training definitions: initial vocational training, continuing vocational training and training for unemployed people mean something different within individual national contexts. While creating a 'standard' definition of each training type would have simplified comparability, it would have complicated the process of gathering and presenting data. For this reason, each author was requested to use a nationally-based definition;
- data: there are several general obstacles to obtaining comparable data, for example: lack of common definitions, different national accounting procedures and problems of identifying spending where funding sources are diverse and estimates are based on surveys. More specific obstacles include the difficulty of aggregating data where funding is decentralised and estimating indirect sources of expenditure.

Several barriers to achieving even basic common parameters arose as the work developed. These included:

- an increasing overlap between traditional training categories. In some countries the division between training types is not as strict as in others. This means that some artificial divisions have had to be drawn by some authors, for example, between academic and vocational training. While this particular overlap may be, in part, the result of a general policy aim to level parity of esteem, it creates challenges in disaggregating data to identify expenditure on the vocational element. The notion of lifelong learning also has implications for creating more coherent training structures which include a wider range of learning activities. It is often difficult to identify and measure expenditure data on training which takes place outside the formal structure;
- complexity of financing training structures in number of different funding sources and mechanisms for financing VET. For example, levels of expenditure on indirect demand-side incentive mechanisms such as tax incentives are often difficult to identify. More fundamentally, this general complexity is enhanced in countries where there is no national structure for training, e.g. where local governments have a high level of responsibility for financing training;
- the number of recent reforms to financing VET blur data comparability over time within individual Member States. In addition, the newness of many reforms mean there is often a lack of stringent evaluation according to efficiency, effectiveness and equity criteria.

There was no ideal way to create common criteria for structuring this series of reports. There is a certain trade-off between attaining a common structure and reflecting nuances of individual national training systems. Nevertheless, this first set of portraits does serve to highlight many complexities involved with financing vocational education and training across the European Union. We hope you find the portraits informative and welcome your comments.

We would like to thank the study group of the Institute of Applied Economic and Social Sciences at the University of Macedonia, consisting of Dr M. Stamboulis and Mr M. Litsardakis under the supervision of Professor J. Tsekouras, who prepared this portrait on the financing of vocational education and training in Greece, under some challenging conditions.

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Preface

This report on financing vocational education and training (VET) in Greece is part of a series undertaken by the European Centre for the Development of Vocational Education and Training (Cedefop) in the 15 Member States of the European Union (EU). It has been prepared by a study group of the Institute of Applied Economic and Social Sciences at the University of Macedonia: Dr M. Stamboulis and Mr M. Litsardakis, under the supervision of Professor J. Tsekouras.

The main sources for this report were the Cedefop monograph on VET in Greece as well as legal documents, official statistics, and circulars for the management and financial reviews of VET programmes with EU cofinancing.

The term vocational education and training covers training programmes with short, medium or long duration (with or without certification), which aim to provide the necessary knowledge and skills for a certain profession, or trade, to students, employees or unemployed persons.

The first part of the report is an extended introduction to the subject. The following three parts deal with three main VET classifications. Initial vocational training (IVT) is training young people who have completed nine years compulsory education and have no vocational qualifications. Continuing vocational training (CVT) is targeted at employed people to improve their skills or to allow them to shift to other professional activities. Training for unemployed people provides knowledge and skills to help them enter the labour market. More detailed definitions are provided throughout the report.

The first phase of the project comprised extended research in two directions: the legal framework of VET financing in Greece and the mechanisms and procedures of allocating and managing funding, respectively. It is important to point out that many agents, either governmental or not, are involved in funding or managing activities for all the different forms of VET, which makes an understandable description a difficult task.

The second important fact, and partly a result of the first, is there is no unique centre responsible for collecting, processing and disseminating data on VET, not even for the part cofinanced by the EU. Therefore, the data collected are fragmentary and uneven.

Data sources are directorates of ministries which finance or supervise VET activities, three of which are important: Ministries of Education and Religious Affairs, Labour and National Economy. Other sources are the Manpower Employment Organisation, the Greek National Statistical Institute and various publications of Greek and foreign organisations.

In the second phase of the project, the study group composed the report describing responsible agents and financing procedures for each form of VET. Data tables support this presentation. Each part concludes with trends and perspectives.

We believe this report presents the forms and funding mechanisms for VET in Greece, despite the difficulties already mentioned and their consequences for its completeness. Thus it provides information and contributes to discussion of VET funding, both nationally and at EU level.

Note:

The following table has been used for the exchange rates of GRD to ECU/EUR in Tables 17 and 18 and elsewhere. In Table 13, only the exchange rate for 1994 was used.

	1984	1987	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Rate	88.4	105.7	137.4	156.2	167.5	178.8	201.4	225.2	247.0	268.5	288.0	302.9	305.5	309.3	330.7

Source: Bank of Greece.

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1. Background information

1.1. Political review and economic background

1.1.1. Political review

In 1974, democracy was reintroduced to Greece after the collapse of the seven-year dictatorship. Shortly after, a new constitution was approved by the Greek parliament; new institutions were created and several reforms introduced. The most important aim of successive governments was the accession of Greece to the European Community. Their efforts were successful and Greece became the 10th member in 1981.

At the end of 1981, the Greek socialist party (PASOK) won the general election. PASOK won successive elections (apart from a three-year interval between 1990 and 1993) and is in government after winning the general election in 2000. Throughout this period many reforms have taken place in public administration, education and the rights of employees.

During the past 10 years (1991-2001) there has been an agreement among the major political parties for Greece to take part in economic and monetary union (EMU), and to implement measures to meet this target. While Greece did not fulfil the requirements for the first tranche of membership, it participated in the exchange rate mechanism (ERM) from March 1998. Greece fulfilled the Maastricht criteria to participate in EMU from 2001. EU and EMU membership are accepted by most of the population, although there are political parties and interest groups opposing certain measures and procedures.

1.1.2. Economic background

During the past 14 years (1986-2000), the Greek economy has generally followed a positive course through increased economic growth (in GDP) and decreasing inflation. Other indicators have not performed in such a positive way; for example levels of public debt and unemployment have increased. The course of the main economic indicators is given below.

Table 1 GDP growth (% annual variation) and development compared to EU mean (PPS, EU-15=100)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Real growth (% yearly variation)	0.5	-2.3	4.3	3.8	0	3.1	0.7	-1.6	2.0	2.1	2.4	3.4	3.7	3.5
PPS EU-15=100	63.0	59.8	59.9	60.2	58.5	60.9	62.2	64.1	65.0	66.1	66.9	65.8	66.0	67.1

Source: Eurostat. *EU economic data pocket book*, 2001.

Public debt as a percentage of GDP has increased during recent years with a peak between 1993 and 1996. As this is one of the convergence criteria for participating in EMU, efforts have been made to reduce it.

Table 2 Public debt (general government consolidated gross debt) as % of GDP

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Public Debt (% of GDP)	89.0	91.1	97.5	110.2	107.9	108.7	111.3	108.5	105.4	104.4

Source: Eurostat. *EU economic data pocket book*, 2001.

In 1974, the inflation rate was 25.9%. It was considerably lower over the next five years, but there were peaks during 1980 (24.8%), 1981 (24.4%) and again in 1986 (23.2%). Between 1990 and 1998 there has been a steady and substantial decline in the level of inflation.

Table 3 Inflation rates (price deflator of private consumption – % change per annum)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Inflation rate (%)	19.9	19.7	15.6	14.2	11.1	8.9	8.2	5.5	4.7	2.5

Source: Eurostat. *EU economic data pocket book*, 2001.

Two important aspects during the period of reference are monetary transfers from the EU and convergence programmes. In the 1980s, especially after 1986, monetary transfers from the EU played a crucial role in developing the Greek economy, as did an expansionary fiscal policy. Taken together there was a substantial increase in private consumption. Monetary transfers from the EU also had a positive effect on the balance of payments, but a negative effect on the trade balance.

In the early 1990s, the Greek government also set up a framework of convergence programmes. These consisted of macroeconomic targets and policy measures to help the Greek economy converge with those of other Member States and achieve the criteria to participate in EMU. The first convergence programme was established from 1993 to 1998. It

was revised during its first year of implementation and the new programme covered from 1994 to 1999. The major economic objectives of concern were stabilising fiscal policy, gross national product (GNP) and labour costs.

1.1.3. The labour market

The Greek labour market has followed the path of the macroeconomy: figures have improved during the last few years, partly because of strict adherence to the convergence programmes. Within the economic framework outlined above, indicators of the Greek labour market are as follows:

- (a) population. According to the last census (1991) the population of Greece was 10.1 million. Between 1971 and 1991, the population increased by 1 491 259 (about 17%). The birth rate dropped below 1% in 1994 (9.94 births per thousand inhabitants);
- (b) migration. Since the early 1980s, Greece has had net immigration (compared with previous years when it had net emigration). According to statistical data, over 700 000 people (about 7% of the total population) are Greek repatriates or immigrants living in Greece (less than one third hold a work permit). This equates to about 15% of the total labour force;
- (c) labour force. The national labour force was 4 318 302 people in 1996. The percentage of the economically active population stabilised to 48-49% over the last five years;
- (d) employment. Total employment in the 1980s showed a small increase (the mean annual change was 0.3% from 1982 to 1991). During the first half of the 1990s, increases in the rate of employment accelerated (the mean annual change was 1.1% from 1992 to 1996). Compared with the EU average, the employment trend in Greece is increasing. Between 1981 and 1996 the labour force increase in Greece was 17.3% (mainly due to the increasing participation of women in the labour market), while the same indicator was 6.71% in the EU as a whole;
- (e) unemployment. The national unemployment rate has increased steadily since the first half of the 1980s. From 1985 to 1990, unemployment appeared stable with a percentage variation between 6.6% and 7.0%. High unemployment has become a permanent feature of the economy and fluctuated between 9% and 11% from 1995 to 2000. Unemployment rates during the last decade were as follows:

Table 4 Unemployment rate

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
6.6	6.7	6.8	6.7	6.4	7.0	7.9	8.6	8.9	9.2	9.6	9.8	10.7

Source: Eurostat. *EU economic data pocket book*, 2001.

Greece has experienced a large degree of youth unemployment as well as long-term unemployment and this has been worsening during recent years.

Table 5 Long-term unemployment as percentage of all unemployed

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
22.2	22.9	23.5	22.5	21.5	22.9	25.1	26.8	27.7	28.5	31	30.8	29.8

Source: Eurostat. *EU economic data pocket book*, 2001.

Table 6 Youth and long-term unemployment as a percentage of all unemployed

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
41.9	43.9	46.0	50.1	49.5	47.1	49.7	50.2	50.5	51.2	56.7	55.7	54.9

Source: Eurostat. *EU economic data pocket book*, 2001.

1.2. Legal framework

1.2.1. General legal and policy background

It took a long time to develop a distinct policy towards vocational education and training (VET) in Greece. Only recently have the State and social partners engaged in a process of social dialogue about the best way to prepare young people for work and to help adults adjust to the demands of their professions and labour market needs.

There have been several developments throughout the 1990s on initial vocational training (IVT), continuing vocational training for employed people (CVT) and training for unemployed people (UVT). These developments have been so fundamental that attitudes towards training have changed greatly spurred by the following factors:

- (a) there was concern over upper secondary school graduates not entering tertiary education but who could benefit from initial vocational education and training;
- (b) both policy-makers and administrators became aware of the positive correlation between levels of participation in VET and economic growth;

- (c) social partners were recognised as active members in the overall decision-making procedure in education and training;
- (d) funding available through Community support frameworks (CSFs) for Greece ensured that policy-makers were able to implement wider-ranging schemes for IVT and CVT for both employed and unemployed people.

The most notable developments in VET in Greece are:

- a new institution (vocational training institutes (IEKs)) was established in 1992 at post-upper secondary level. IEKs are operated either by the State or by private organisations and provide two years, part-time, specialist training for specific qualifications recognised at European level;
- a recent reform in the educational system, enacted in September 1998 had some major institutional implications for IVT. The former four types of schools at upper secondary level were merged into unified ‘lyceum’ (ELs) and technical vocational institutes (TEEs). The first type leads to tertiary level studies, while the latter provides VET for specific occupations;
- the fund for employment and vocational training (LAEK), formed in 1996 by merging two funds established in 1994. The LAEK fund is supported by a joint employer/employee contribution. Its main purpose is to reimburse enterprises for their training expenses. LAEK is managed by a tripartite committee (State – employers – employees) and is the most important source of private funding for CVT in Greece;
- a new institution (vocational training centre – KEK) was established in 1995 to provide vocational training to unemployed as well as employed people. At the same time, legislation created a framework to: develop appropriate training programmes; certify training providers to operate as a KEK; and register trainers. The principle underpinning this legislative framework was to ensure that public funds from the European Social Fund (ESF) and the State budget were used efficiently.

1.2.2. Role of the EU in VET funding: Community support frameworks (CSFs)

EU membership has had a significant impact on vocational training for administrative bodies at central government and regional levels, funding available and the structure and development of different programmes within the training system.

Since all 13 regions of Greece are classified by the EU as Objective 1 (less developed regions), special measures and funding have been agreed and applied for EU convergence policies through CSFs. The CSF supports many economic and social activities. As the budget for implementing the CSF is based on the principle of cofinancing, programmes and their details are planned by the government and agreed with the European Commission. The CSF is organised by the competent Greek administrative bodies cooperating with European Commission executives. The CSF is implemented by both governmental and non-governmental agents, overseen by CSF monitoring committees formed jointly by Greek and European Commission senior administrative executives.

The first CSF operated in Greece nominally since 1989, but actually since 1991. This ended in 1994 and a second CSF was agreed for 1994 to 1999. The second CSF took place from 1995 to 2000 and consisted of five major groups of programmes (priorities), each divided into operational programmes (OPs). Each OP was divided into subprogrammes, which were further divided into measures, which consist of several actions.

Figure 1 Basic structure of CSF II

Priority 1: Development of basic infrastructure.	
Priority 2: Improvement of the quality of life.	
Priority 3: Development of competitiveness.	
Priority 4: Development of human resources and promotion of employment.	<i>Education and initial vocational training (EPEAEK).</i> <i>Continuing training and the promotion of employment.</i> <i>Combating exclusion from the labour market.</i> <i>Modernisation of the public administration.</i>
Priority 5: Regional development.	

According to cofinancing principles, the total CSF budget is funded jointly by EU and national resources. The general rule is the balance of funding contributions is 50% EU and 50% national (from which 25% is public and 25% is private contribution), but this balance may vary, depending on the nature of individual measures.

The implementation and corresponding expenditure for each OP were checked by the competent monitoring committee (one for each OP) comprising EU and national representatives. Specifically to VET, there were three major OPs within Priority 4 (Development of human resources and promotion of employment) of the second CSF (see Figure 1 above). The budgets allocated were:

- (a) OP for education and initial vocational training (EPEAEK) EUR 1 881.7 million;
- (b) OP for continuing training and promotion of employment had an initial budget of EUR 1 285.2 million increased to EUR 1 447.7 million according to the last amendment in 1999. This OP covered both training for employed and unemployed people;
- (c) OP for combating labour market exclusion EUR 240.4 million. This combined training with other support to facilitate access to the labour market for those who had been excluded or were threatened with exclusion.

In all three OPs related to human resource development, the financial contribution was 75% from the EU (mainly from the ESF and in certain actions from the European Regional Development Fund) and 25% from the Greek State budget. Private contributions were low and applied only to specific measures (for example, the internal business training programme - see below).

There were also certain measures within all regional OPs supporting vocational training mainly for unemployed people. Other measures or actions related to training are included in several other OPs: for example, the OP for agriculture includes a measure to fund the Ministry of Agriculture for initial training programmes provided within specific agricultural vocational institutions.

Further, during the period in discussion, there were several Community initiatives such as Employment, ADAPT and RETEX which contained measures supporting training within their specific objectives.

Many policies and developments described in this report were organised through and funded by CSFs I and II.

1.2.3. Third CSF (2000-06)

In March 2001, the framework for the third CSF was agreed, formulated according to seven priorities:

- (a) human resources,
- (b) transportation,
- (c) competitiveness,
- (d) rural development and fishery,
- (e) improvement of quality of life,
- (f) information society,
- (g) regional development.

The last is divided into 13 regional OPs (one for each region of the country), while most of the rest are divided into two or three. Each OP is divided into subprogrammes, further divided into measures. The human resources priority comprises the education OP and the training-employment OP. Both competitiveness and information society each comprise one single OP. The information society OP is transversal and covers actions in all sectors and regions, thereby supporting other OPs.

Table 7 Financing CSF III (in EUR)

Priorities	Total funding	Total public funding	Public funding				Private contributions	
			EU contribution		National public funding			
			Total	%	Total	%		
Human resources	4 483 494 409	4 373 494 409	3 280 120 807	73	1 093 373 602	24	110 000 000	2
Transportation	12 087 578 359	8 571 578 359	4 501 755 761	37	4 069 822 598	34	3 516 000 000	29
Competitiveness	6 098 265 992	3 288 086 682	1 976 705 391	32	1 311 381 291	22	2 810 179 310	46
Rural development and fishery	3 773 504 306	2 096 283 334	1 470 014 251	39	626 269 083	17	1 677 220 972	44
Improvement of quality of life	1 811 255 538	1 796 755 538	1 284 353 655	71	512 401 883	28	14 500 000	1
Information society	2 839 078 394	2 269 578 394	1 702 183 796	60	567 394 598	20	569 500 000	20
Regional development	10 825 072 268	9 357 650 172	7 041 737 630	65	2 315 912 542	21	1 467 422 096	14
Technical assistance	84 971 612	84 971 612	63 728 709		21 242 903			
Total CSF	42 003 220 878	31 838 398 500	21 320 600 000	51	10 517 798 500	25	10 164 822 378	24
Performance reserve	1 411 361 418	1 411 361 418	945 000 000		466 361 418			
Programming reserve	877 448 844	663 248 844	441 400 000		221 848 844		214 200 000	
Grand total	44 292 031 140	33 913 008 762	22 707 000 000	51	11 206 008 762	25	10 379 022 378	23

Source: Ministry of National Economy (url: www.mnec.gr/ministry/kps/3kps/3kps.htm).

In the table above, the varying percentage contributions from the three contributors (private, State and the EU) are shown for each priority. VET activities, mainly within the first priority (human resources), follow a rule of 75% EU funding and 25% national funding, with private funding applicable only to the internal business training programme measure. VET activities can also be found within measures of other OPs.

1.2.4. Legislation for initial vocational training (IVT)

Provision of IVT has been reformed several times since the mid-1970s. While there were some private and public providers at lower and upper secondary levels as well as for apprenticeship training, reforms focused on making the structure more coherent and providing satisfactory options for all those leaving compulsory schooling. In broad terms, this has meant defining more clearly the missions and goals of different types of training provider at upper secondary level and regulating their provision within certain curriculum and qualification standards. It has also meant increasing opportunities for participants in upper secondary training to specialise further within post secondary or tertiary training institutions.

Most reforms were carried out by certifying private training institutions within the IVT structure and ensuring that public provision meets the different demands of participants in level and type of training. A related aim has been to ensure parity of esteem between public and private training providers.

Because of reforms during the 1970s and 1990s (described in more detail below), there has been a relative increase in public investment for vocational education. During this period, the increase of upper secondary education students entering vocational education rose from 18% to 33% of the total number of upper secondary students.

A result of the reforms was that, in the 1980s, private vocational schools gradually started to lose their dominance in the provision and quality of initial training. Certificates from public schools became sufficiently respected to secure the professional status of their graduates in the same way as certificates from private vocational schools had done in the past. In addition, the infrastructure and capacity of public vocational schools was increased.

The legislation governing these reforms and developments include:

(a) Acts 309/76 and 576/77

Acts 309/76 and 576/77 affected both the education and training structures. One of their main objectives was to extend attendance within compulsory schooling to nine years. On VET, the new structure aimed to assimilate lower secondary technical vocational education within general education, and encourage the flow of students into upper secondary initial vocational education and training. The acts also upgraded tertiary level vocational training institutions under the name technological educational institutes (TEIs) ⁽¹⁾.

(b) Act 1566/85

The principal aim of Act 1566/85 was to reorganise upper secondary education and to create some new types of training institutions. The act accomplished the following:

- set up technical vocational ‘lyceum’ (TEs) and integrated ‘lyceum’ (EPLs);
- accepted OAED apprenticeship schools at upper secondary level and recognised the professional/occupational rights of those with an apprenticeship qualification;
- established a common framework of operation for all specific vocational schools supervised by various ministries (e.g. agricultural schools under the Ministry of Agriculture, tourist services schools under the Ministry of Development);
- placed general and vocational ‘lyceum’ (GELs and TEs) under the jurisdiction of integrated secondary education directorates at prefectures (i.e., decentralising operational responsibility).

⁽¹⁾ Although these institutions offer vocational education, they are not included and presented in the IVT section of this report, since they belong to the tertiary level of the educational system.

(c) Act 2009/92

Act 2009/92 established a training strategy called the national vocational education and training system (ESEEK), which among other things organises, develops and provides initial vocational training, its formal certification and harmonisation with the whole education system. To carry out this national training plan, the act set up the Organisation for Vocational Education and Training (OEEK).

The act of 1992 also established a new institution, the vocational training institute (IEK) at post-upper secondary level for trainees - mainly graduates of upper secondary initial training schools and 'lyceum' (TESSs, TELs and EPLs) - to specialise further within certain occupations. These institutions provide part-time, specialist training for specific qualifications recognised at European level. OEEK is responsible for organising and monitoring IEKs. Social partner organisations participate in the management board of OEEK and play a decisive role in various subjects (e.g. selecting which occupations are most relevant to labour market needs and should be covered by IEKs).

IEKs within ESEEK provide vocational training for those upper secondary school graduates who do not enter tertiary education, as well as adults looking to improve their skills and qualifications.

The acts of 1985 and 1992, therefore, established new structures and supervisory bodies for IVT and created a common framework for operational specifications and educational methods for several vocational schools running under the supervision of many different agents. Acts 1566/85 and 2009/92 contributed to the evolution of the Greek educational and training system by creating a unified system of IVT for the operational framework for different providers.

(d) Act 2525/97

A further reform was enacted in September 1998. While its main focus was general education (especially on flow of students to tertiary level education), it had some major institutional implications for IVT. Most notably, general 'lyceum' (GELs) and parts of integrated 'lyceum' (EPLs) were merged to form unified 'lyceum' (ELs). The technical 'lyceum' (TELs), parts of integrated 'lyceum' (EPLs) and technical vocational schools (TESSs) were merged to form technical vocational institutes (TEEs). In addition, studies in TEEs and apprenticeship schools (SMs) were divided into two levels (upper secondary and intermediate – see IVT section for more detail).

1.2.5. Legal framework for continuing vocational training (CVT) and training for unemployed people (UVT)

CVT and UVT have only become a priority within Greek policy since the late 1980s. Growing realisation of the need to support continuous training for employees (due to changes in production systems) and unemployed people more actively in reentering the labour market have led to an increasing number of policy initiatives. Until that time, employees took part in

training supported by enterprises or, more seldom, training undertaken at their own initiative. Training for unemployed people has also been reformed over the past 10 years because of increasing levels of unemployment and the need to create a coherent structure for providing it.

On CVT for employees, legislation in 1986 recognised the need to support internal business training. A further act in 1990 created subsidies for training for new enterprises or those moving to, or within, Greece. For UVT, CSFI (1989-94) launched many training programmes carried out by the 13 regional authorities and funded and evaluated by the Ministry of Labour and Social Affairs. There were two major developments in legislation governing the funding and provision of CVT and UVT:

(a) Act 2224/94: creating vocational training centres (KEKs)

The number of UVT programmes created through CSFI raised the issue of how efficiently and effectively training was being implemented and funds managed. As a result, a new institution (vocational training centres – KEKs) was set up exclusively to provide vocational training to both employed and unemployed people. At the same time, the legislation created a framework to develop appropriate training programmes, for certifying training bodies to operate as KEKs and for registering trainers. The National Certification Centre of CVT Structures (EKEPIS) was the key body in certifying organisations to operate as KEKs. The principle underpinning this legislative framework was to ensure that public funds were used efficiently.

Act 2224/94 also created two other institutions: the National Labour Institute (EIE) and National Observatory on Employment (EPA). Their objectives were: to conduct research and provide information and statistical documentation on employment problems; to monitor labour market trends; to provide technical support for vocational training and employment programmes and initiatives; to support ministries and other organisations managing and implementing CVT programmes. They were also national agencies for the Leonardo da Vinci programme (EIE) and ADAPT community initiative (EPA).

(b) Act 2434/96: establishing the levy fund scheme

The origins of this legislation are in the national collective agreements in Greece. For the first time in the early 1990s, and specifically in the national general collective employment agreement (EGSSE) for 1991-92, there were special articles related to promoting and funding VET.

During 1993 and 1994, two funds were created following the EGSSE. The first was a special fund for vocational training and education programmes (ELPEKE) designed to support enterprise training. The second was the employment fund (EKLA) aimed at supporting and funding active policies including training for unemployed people. The idea underpinning ELPEKE was for enterprises and their employees to contribute to a fund, which would enable enterprises to conduct customised training programmes supported by these contributions. For EKLA, the rationale was that the borderline between employment, partial employment and

unemployment was becoming more and more vague. Therefore, it is important for employees and enterprises to support unemployed people, not only for reasons of social solidarity, but also for creating the necessary skills in the active population.

Implementing these agreements, however, was not straightforward and was delayed. Part of the reason was lack of a statutory framework. Through Act 2434/96, the collective agreement was ratified through national legislation. The two funds (ELPEKE and EKLA) were merged into the fund for employment and vocational training (LAEK) in 1996. The LAEK fund is supported by a joint employer/employee contribution of 0.81% (0.45% for vocational training and 0.36% for employment) of the total salary of each employee and is collected by the Social Security Foundation (IKA). LAEK is managed by a tripartite committee with technical support from OAED (manpower employment organisation - see below). LAEK forms the most important source of private funding for training in Greece. While there are other collective agreements at sectoral level which include articles on training, they tend to be concerned with setting qualification requirements for different occupations rather than funding.

1.3. Administrative and funding framework

The administrative structure of VET financing in Greece is complex. At central government level, four ministries are responsible for funding and managing VET programmes. The Ministry of Education and Religious Affairs is responsible for IVT programmes and the Ministry of Labour and Social Affairs for CVT and UVT. The Ministries of Economy and Finance are responsible for coordinating national and EU funding and financing and auditing procedures, respectively, for all VET programmes. Many bodies and organisations are involved in planning and implementing VET programmes and their financing.

The most important resources stem from European structural Funds (via the CSF and Community initiatives), the Greek State budget, employers and employees contributions and household budgets. During the past 20 years, a series of different mechanisms for financing VET have been set up. The organisations related to training can be classified as follows:

- (a) funding agents,
- (b) allocating agents,
- (c) providers,
- (d) final consumers.

Figure 2 VET funding sources, allocation, implementation and consumers

	Funding agents	Allocating agents	Implementation agents	Consumers
IVT (public)	European Funds – State budget (Ministry of National Economy)	<ul style="list-style-type: none"> Ministry of Education and Religious Affairs OEEK Ministry of Labour and Social Affairs (OAED) Other ministries 	<ul style="list-style-type: none"> TES, TEL, EPL (until 1998) Technical vocational institutes (TEEs) (after 1998) Vocational training institutes (IEKs) OAED apprenticeship schools Vocational schools of other ministries 	Persons seeking professional qualifications and skills (mainly 16-22 years old)
IVT (private)	Households			
CVT (public)	European Funds – State budget (Ministry of National Economy)	<ul style="list-style-type: none"> Ministry of Labour and Social Affairs OAED Other ministries 	<ul style="list-style-type: none"> Vocational training centres (KEK) Enterprises Liberal studies centres (KES) 	Employees
CVT (private)	Employers and employees (LAEK)	LAEK committee (with the technical support of OAED)		
UVT (public)	European Funds – State budget (Ministry of National Economy)	<ul style="list-style-type: none"> Ministry of Labour and Social Affairs Regional authorities 	KEK	Unemployed persons
UVT (private)	Employers and employees (LAEK)	LAEK committee	KEK	

The way in which these four entities interact with one another forms the financing system for vocational training. There are five main sources for providing and allocating funds to the various training agents:

- (a) Greek government,
- (b) European funds,
- (c) public and private enterprises,
- (d) employees,
- (e) household budgets.

1.3.1. Central government

1.3.1.1. Ministry of National Economy

This ministry is responsible for all EU funding within the CSF and their operational programmes. The CSF comprises a detailed plan with budgetary allocations which the general directorate of public investments and regional policy within the ministry oversees. There is also a joint committee of executives from the Ministry of National Economy and other ministries, as well as EU representatives, called the monitoring committee (MC) of the CSF, supported by a management and organisation unit (MOU). After joint EU and national funds have been allocated to different OPs and their measures, the MC is responsible for overseeing periodically (every three months) use of these funds. If funds are not spent in due time, the MC can transfer them to a different measure within the same OP, or in extreme circumstances to a different OP. The MOU is responsible for providing support and advice to public administrative bodies to implement CSF projects.

1.3.1.2. Ministry of Finance

While the Ministry of National Economy is responsible for allocating and monitoring funding, it is the Ministry of Finance that distributes funding to different ministries and bodies. It is responsible for distributing joint EU and national funds through the general State accounts department. This department oversees the flow of funding for all public expenditure (including funding for education and training) and provides resources from the ordinary budget and the public investment programme.

1.3.1.3. Ministry of Education and Religious Affairs

The Ministry of Education and Religious Affairs is responsible for distributing budgets for general education and initial vocational training. This budget was distributed to TELs, TESS and EPLs until 1998 and now to unified 'lyceum' (ELs) and technical vocational institutes (TEEs) through local government (prefectures and municipalities – see below).

The Ministry of Education and Religious Affairs also received funds from CSF II to carry out its responsibilities within the OP for education and initial vocational training (EPEAEK) which comprised four subprogrammes:

1. general and vocational education,
2. vocational training,
3. tertiary education and training,
4. reorganisation of the education and training administrative structure.

Most of this budget was distributed to OEEK, the body responsible for post-upper secondary vocational training institutes (IEKs), and tertiary education and training institutions.

1.3.1.4. Ministry of Labour and Social Affairs

The Ministry of Labour and Social Affairs is responsible for expenditure on employment policy and labour market training whether this is IVT, CVT or training for unemployed

people. The general secretariat for managing Community programmes was responsible for coordinating and managing three subprogrammes within Priority 4 (development of human resources and promotion of employment) of CSF II. There are three specific directorates under the general secretariat:

- (a) European Social Fund Directorate,
- (b) Community Initiatives Directorate,
- (c) Monitoring and Evaluation Directorate.

The ministry also monitors regional authorities in their use of funds for training for unemployed people available through regional OPs.

The Ministry of Labour and Social Affairs has overall responsibility for the manpower employment organisation (OAED), although it is governed by a tripartite management board. The primary aim of OAED is to match supply and demand for labour within individual regions; hence OAED is organised regionally and locally. Regional OAED authorities are responsible for managing apprenticeship schools. Local OAED offices provide employment information and other services to unemployed people. OAED is also responsible for policies on lifelong learning, supporting internal business training programmes within enterprises and provides technical support for the LAEK fund.

The Ministry of Labour and Social Affairs funds OAED for its apprenticeship schools (SMs) and receives funding from the EPEAEK OP specifically for this. It also funds OAED for employment services for unemployed people and for the publicly funded part of internal business training undertaken by enterprises.

1.3.1.5. Other ministries

Several other ministries provide VET. The most important include the Ministry of Mercantile Marine, the Ministry of Agriculture and the Ministry of Development. Each of these ministries funded specific training institutions; for example, there are special training institutions for personnel of merchant ships, as well as tourist and agricultural occupations. Most funding for this part of training also comes from the EPEAEK OP. It is distributed to individual ministries according to CSF rules.

1.3.2. The social partners

The social partners (the main bodies are the Association of Greek Industries (SEV) and general confederation of workers of Greece (GSEE)) are represented on the management committee of the fund for employment and vocational training (LAEK). Although this committee relies on and is supported by OAED, it has some responsibility for allocating LAEK funds, especially any surpluses or reserves.

Social partners have also undertaken other new VET responsibilities. They hold the vice-presidency of OAED and participate in many boards of certain organisations, such as the National Labour Institute (EIE), the National Observatory on Employment (EPA) and the

Organisation for Vocational Education and Training (OEEK). Moreover, public organisations are legally obliged to cooperate with social partner bodies and to support their activities to establish institutions that promote employment and provide vocational training.

1.3.3. Local authorities

There are three different types of local authority in Greece, which have different responsibilities within VET.

1.3.3.1. Regional government

There are 13 regions within Greece. The head of each region is appointed by central government. Other members are nominated and appointed by other government tiers and representatives of several significant organisations within the region, for example, local trades unions, chambers of commerce, etc.

On their VET responsibility, each region has a general regional secretariat and a regional operational programme monitoring committee. These are responsible for implementing the regional OP under the CSF, which includes a subprogramme on human resources development. These subprogrammes cover providing training to enterprise personnel and unemployed people in the region. The main responsibility of regional authorities is to distribute the relevant budget through public calls for interest in which KEKs respond with bids.

1.3.3.2. Prefecture councils

Greece is divided into 54 ⁽²⁾ prefectures. Each has an elected government which is responsible, *inter alia*, for distributing funding to municipal governments for upper secondary general education (unified ‘lyceum’) and formal IVT technical vocational institutions (TEEs). Prefectures are funded from the Ministry of Education and Religious Affairs for training institutions within municipal areas of the prefecture. Prefectures have no tax raising powers and are totally funded from central government budgets.

1.3.3.3. Municipal authorities

Municipal authorities have recently become responsible for operating and maintaining the infrastructure of publicly-owned upper secondary institutions (EL and TEE) within their area. Funding for these institutions comes from the Ministry of Education and Religious Affairs via prefectures. Although municipal governments have tax raising powers (local sales tax on certain services), they are funded for training institutions within their jurisdiction from a central budget.

⁽²⁾ This number represents 47 prefectures and 3 very large prefectures which are subdivided into a further 7 prefectural departments.

1.3.4. Training providers

1.3.4.1. IVT: upper secondary level

In 1998, the variety of upper secondary education and training providers were merged into two main organisations: unified ‘lyceum’ (for general education) and technical vocational institutes (for initial vocational training). Technical vocational institutes (TEEs) provide training for skilled manual work as well as basic technical training.

TEEs can be publicly or privately owned. Where they are owned and maintained by the public sector, they are funded from the Ministry of Education and Religious Affairs (via prefectures and municipal governments). Where they are private organisations, they are funded by participants’ fees. About 75% of the total number of TEEs are owned, maintained and funded by the public sector. The public/private sector mix of schools depends on the region and occupational sector. Nevertheless the operational framework for TEE, as well as the syllabus and handbook for each speciality, are set by the Ministry of Education and Religious Affairs. There are also specific TEE for certain occupational training, for example maritime training, agricultural training and tourism. These are under the responsibility of the relevant ministries.

1.3.4.2. IVT: post-secondary level

Act 2009/92 created the national vocational education and training system (ESEEK) and a new level of vocational training institutions (IEKs) managed by the Organisation for Vocational Education and Training (OEEK). The aim of IEK is to provide advanced training for graduates of upper secondary education and training who do not attend tertiary level education or training. There are public IEKs covering the whole country. The courses provided are adjusted according to local labour market needs. IEKs provide afternoon and evening training courses within the existing education and training infrastructure. Funding for public IEKs comes mainly from EU and State funding through EPEAEK and is distributed by the Ministry of Education and Religious Affairs to OEEK. There are also private IEKs, mainly located in major cities. They follow the same programmes as public IEKs and are supervised by OEEK, but they are funded through participants’ fees.

1.3.4.3. IVT: apprenticeships

The apprenticeship programme in Greece is available for those who have completed compulsory education and want to train in certain occupations. Most training is undertaken in OAED apprenticeship schools (SMs), a minor part in enterprises. SMs offer training for occupations in industry or requiring manual and low-level technical skills.

1.3.4.4. IVT: non-formal training

There are some, mainly private, training providers called liberal studies centres (KESs) which provide non-formal initial training. This training covers technical skills, computer skills, and skills in the service sector. Trainee fees cover the expenses of these enterprises.

1.3.4.5. Continuing vocational training (CVT)

CVT for employed people can take place in several venues depending on who supports and funds it. In publicly-supported internal business training (funded by the continuing training and promotion of employment OP), enterprises are obliged to send trainees to vocational training centres (KEKs), although those with over 300 employees can provide training themselves. According to EKEPIS, 228 enterprises with over 170 000 employees have certified their own vocational training centres. Training activities undertaken through LAEK can take place either in the enterprise or in a KEK, or in a liberal studies centre (KES), depending on the subject of the training course.

1.3.4.6. Training for unemployed people (UVT)

UVT can only take place in KEKs, which have been set up to provide publicly-supported internal business training and training for unemployed people.

2. Initial vocational education and training

Initial vocational training (IVT) is defined as providing basic knowledge and developing skills required for a profession. An individual needs to have completed nine years of compulsory education to be entitled to attend a cycle of IVT courses.

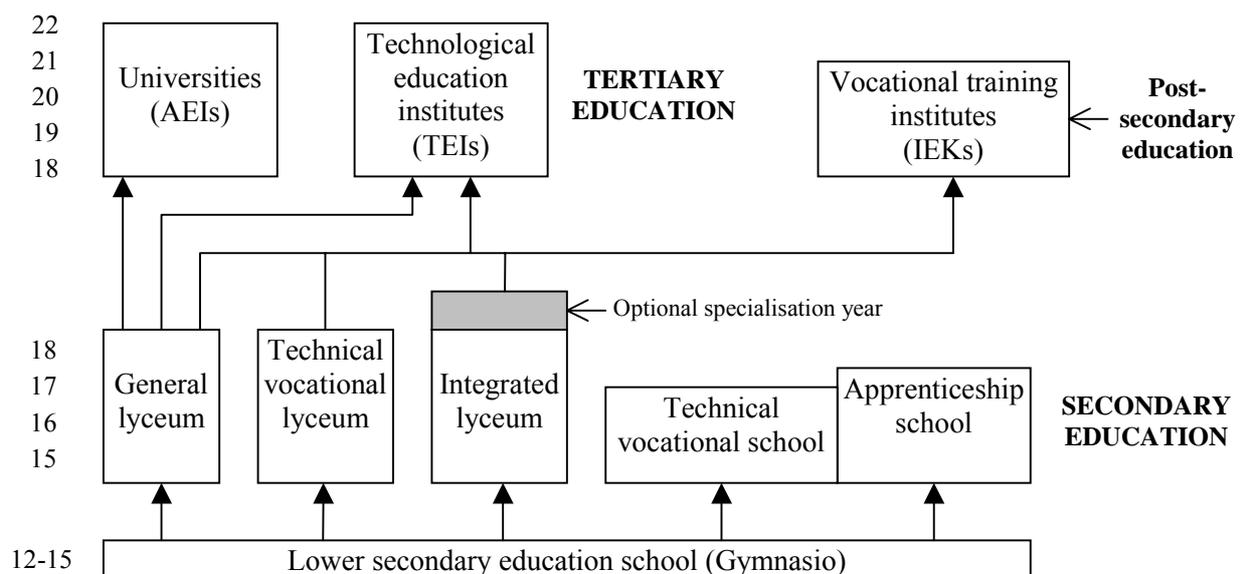
Typically, IVT students are 16 to 19 years old. However, this age limit does not always apply as a significant number of students in various IVT institutions are people over 20 years old, who return to training to obtain the required professional qualifications and skills. This especially occurs in vocational training institutes (IEKs) outlined below.

2.1. Background to IVT

2.1.1. Upper secondary IVT and apprenticeship training (pre-1998)

IVT in Greece consists of two types of training: basic training and specialisation training, which are provided by various schools and organisations. Vocational education is part of the upper secondary level of Greek general education. Until the most recent educational reform (1998), it was governed by Act 1566/85. After nine years compulsory general education, pupils not wishing to continue their studies at general 'lyceum' could choose to follow a professional direction in different types of school, leading to a professional certification, as shown in the chart below.

Figure 3 Initial education and training structure (until 1998)



There were public TES, TEL and EPL and private TES and TEL, spread all over the country according to the population of school age. The rules for running these schools (both public

and private) originated from the Ministry of Education and Religious Affairs. The following table shows participation rates at different types of vocational schools.

Table 8 Secondary vocational education enrolments (1992-97)

School year	Technical vocational lyceum (TELS)	Integrated lyceum (EPLs)	Technical vocational schools (TESs)	Apprenticeship
1992-93	110 302 (48 199)	22 048 (11 768)	45 800 (9 062)	n/a
1993-94	114 667 (51 364)	22 084 (11 994)	40 603 (9 023)	11 995 ⁽¹⁾
1994-95	114 721 (51 568)	24 139 (12 993)	41 601 (10 223)	12 522 ⁽¹⁾
1995-96	109 672 (49 205)	26 258 (14 196)	27 677 (6 679)	14 483 (3 433)
1996-97	109 683 (49 083)	28 717 (15 774)	28 674 (6 531)	13 448 (3 677)

⁽¹⁾ OAED enrolments only. The Greek National Statistical Institute commenced the collection of data for apprenticeship during 1995-96.

NB: Number of female students in parentheses.

Source: Palaiokrassas, S. *Vocational education and training in Greece*. Unpublished.

The following table gives a comparison for the population attending general 'lyceum' classes against other types of schools in 1996-97.

Table 9 Upper secondary general and vocational education enrolment (1996-97)

General Lyceum	Technical vocational lyceum (TELS)	Integrated lyceum (EPLs)	Technical vocational schools (TESs)	Apprenticeship	TOTAL
246 175	109 683	28 717	28 654	13 448	426 677
(134 711)	(49 083)	(15 774)	(6 531)	(3 677)	(206 098)
57.70%	25.71%	6.73%	6.72%	3.15%	100%

NB: Number of female students in parentheses.

Source: Palaiokrassas, S. *Vocational education and training in Greece*. Unpublished.

Following Act 1566/85, funding for public schools was distributed via local authorities (prefectures and municipalities) which got their funding from the Ministry of Education and Religious Affairs. Municipal authorities were owners of all facilities and responsible for implementing the operational budget for general education, as well as vocational schools at upper secondary level in their jurisdiction. These arrangements remain following the recent educational reform.

Act 1566/85 specified that vocational training in publicly owned institutions was provided by the State, free of charge for individuals. Operating expenditure was covered by State subsidies provided to individual municipalities. Prefectures were responsible for allocating and administering this part of their budget to municipal governments, which distributed funding to individual training institutions.

While technical vocational schools (TESs) and technical vocational 'lyceum' (TELS) were funded mainly through State subsidies, integrated 'lyceum' (EPLs) were supported by the

CSF (EPEAEK). Much of their budget (about 75%) was funded by the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The remaining part was met by State funding. Part of the expenses for infrastructure and equipment for TES and TEL was also covered by ERDF.

Other providers of upper secondary IVT include public educational organisations (vocational schools) supervised by specific ministries, such as the Ministry of Development, Ministry of National Economy, Ministry of Merchant Marine, etc. These are funded directly by the relevant ministry according to the same criteria as TES and TEL.

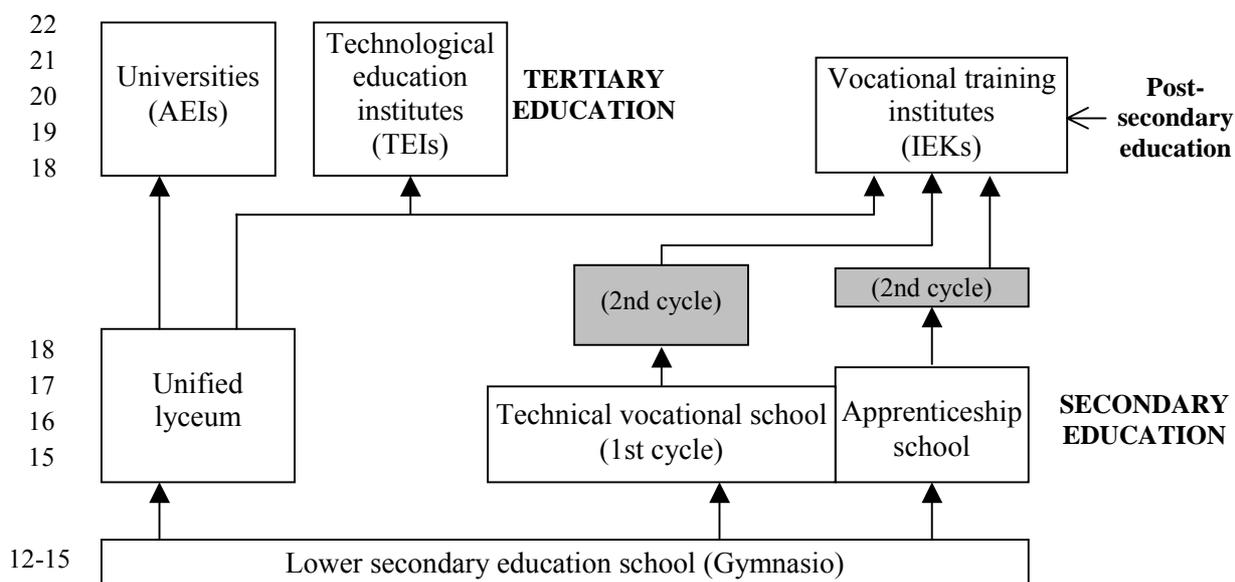
A further major provider of IVT at upper secondary level is the manpower employment organisation (OAED), through its apprenticeship schools (SMs). OAED SMs were established under Act 1346/83. They form the less populated section of IVT schools (see Tables 7 and 8 above). They are an integral part of upper secondary education and their certificates are equal to those from TES. Students of OAED SMs are entitled to an allowance determined by the Ministries of Finance and Labour. OAED also provides funding to enterprises to cover social insurance costs for apprentices when they undertake the enterprise-based part of apprenticeship training.

TEL, TES and EPL students were also able to obtain their professional qualifications in an enterprise if coordinated by OAED, but these students were not entitled to an educational allowance.

2.1.2. Upper secondary IVT and apprenticeship training (post-1998 reform)

A further reform in the education system came about through Act 2525/97, which reduced the school types from four (GEL, TEL, TES and EPL) to two: unified 'lyceum' (ELs) and technical vocational institutes (TEEs). The main objective is to distinguish general from vocational education and ease access from general education to universities.

Figure 4 Initial education and training structure (after 1998)



Since September 1998, general ‘lyceum’ (GELs) and parts of integrated ‘lyceum’ (EPLs) have merged to form unified ‘lyceum’ (ELs) with a curriculum not including a vocational part. After a first year of common academic subjects, the curriculum of unified ‘lyceum’ is divided into three streams: theoretical (or humanistic), science, and technology. All offer two additional years of studies and lead, after assessments at the end of both years, to a leaving certificate. This certificate entitles its holder to compete for a place at university (AEI), or technological educational institutes (TEI).

Technical vocational institutes (TEEs) replace the previous TES (technical vocational schools), TEL (technical ‘lyceum’) and parts of the EPL (integrated ‘lyceum’). Pupils from the former general ‘lyceum’ are accepted by TEE and pupils from TELs and EPLs are encouraged to continue in TEE, considering their initial vocational orientation. Graduates from TEE can compete for a place at TEI (according to a quota of the total available number of places), or at vocational training institutes (IEKs) according to a complicated system of assessments, prerequisite subjects and non-academic credits.

TEEs started in the 1998/99 school year, with 17 professional branches in two cycles (upper secondary and intermediate). At the end of the first cycle (two years for school-based training and three years for industry-based training), students take part in final exams at prefectural level to obtain their vocational certificate. Those who continue in the second cycle (an additional year of specialisation) can take part in exams at national level for a higher level vocational certificate. With this certificate they can either find employment or apply for a place at a technological educational institute (TEI) or vocational training institute (IEK) to continue their vocational training.

2.1.3. Post-secondary IVT

2.1.3.1. Vocational training institutes (IEKs)

Act 2009/92 established the national vocational education and training system (ESEEK). This reform created a new set of post-secondary IVT institutions known as vocational training institutes (IEKs) to allow students completing upper secondary education to specialise further within certain occupations.

Students graduating at upper secondary level from general ‘lyceum’ and wishing to take part in certain training for certain occupations can attend part-time courses in IEKs which last for two years. Similar courses were available for graduates of TEL and EPL, but their studies lasted for one year rather than two, if they followed the same area of training specialisation.

There are public and private IEKs and each is certified for providing several courses. Their students receive a professional certification recognised at national and European levels after successful attendance and examinations. Students of private IEKs pay full fees, while students from public IEKs pay only a part. Public funding, which comes from EU funds and the State budget, covers the rest.

When ESEEK started, a new organisation to oversee IEKs, called the Organisation for Vocational Education and Training (OEEK) was set up. OEEK is responsible for the following:

- organising and supervising publicly-owned IEKs;
- determining curricula of both private and publicly-owned IEKs;
- supervising privately-owned IEKs;
- recognising the status of occupational skills and qualifications provided by IEKs;
- recognising the equal status of corresponding qualifications provided in other countries;
- determining graduates’ professional rights.

Although the Ministry of Education and Religious Affairs supervises OEEK, it has administrative and financial autonomy. OEEK’s resources come mainly from the ordinary State budget, EU funds, and its own revenue from fees from private IEKs, examination fees, etc. IEKs started up in September 1992 and their growth in numbers and students is presented in Table 10.

Table 10 Evolution of post-secondary initial training enrolments (1992-2000)

	Semester	Training institutes (IEKs)		Enrolments	
		Public	Private	Public	Private
1992	2nd	14	0	3 366	0
1993	1st	15	0	4 071	0
	2nd	38	41	8 891	4 136
1994	1st	38	50	9 045	4 434
	2nd	57	67	12 315	12 545
1995	1st	59	68	11 908	12 879
	2nd	64	78	15 543	18 042
1996	1st	64	78	14 208	17 475
	2nd	75	81	18 157	18 603
1997	1st	78	82	16 919	17 934
	2nd	92	88	21 356	19 534
1998	1st	103	87	22 461	18 872
	2nd	120	87	31 151	19 388
1999	1st	126	86	30 577	18 587
	2nd	135	89	38 863	17 463
2000	1st	139	88	36 718	13 232
	2nd	138	88	35 074	11 083

NB: The number of enrolments in private IEKs is the sum of both semesters for each year.

Source: OEEK - Directorate of Training. Unpublished data from 2001.

2.1.3.2. Liberal studies centres (KESs)

Another source of IVT training is private educational organisations, which operate within the legislative framework of KESs. These provide non-formal vocational training and are supervised by the Ministry of Development. Their participants are of various ages and working status, and therefore their activity falls within all three types of VET (IVT, CVT and UVT). They offer courses which last from two to eight months in various subjects according to demand.

The role of these organisations for VET in Greece has been seriously reduced following the creation of IEKs. It is estimated that only small organisations are still operating in this market segment (mainly in Athens and Thessaloniki), since larger ones have been certified to operate as private IEKs.

2.2. Funding sources

VET in Greece receives funds from public and private sources. Public sources are mainly general State budget, or EU and national funding combined through CSF interventions. EPEAEK is the operational programme of CSF II on education and IVT. Private sources are household budgets supporting VET activities for individuals taking place mostly in private schools of both levels (upper secondary and post secondary), or public IEKs or liberal studies centres (KESs).

2.2.1. Public funding

2.2.1.1. Central government funding

The ministries that supervise IVT institutions are the Ministries of Education, Agriculture, Labour, Merchant Marine, Health and Social Insurance, Development (Tourism section). Most remaining ministries only fund small internal CVT programmes for public servants.

The Ministry of Education and Religious Affairs covers the major part of expenditure. The Ministry of Labour and Social Affairs covers the second biggest part by funding OAED apprenticeship schools. Other ministries supervise vocational training schools at upper secondary level for occupations relevant to their responsibilities. In principle, ministries cover, through the ordinary and public investment budgets, recurrent and capital expenditure of upper secondary VET institutions they are responsible for. Certain activities or costs are cofinanced (as described below) by national and EU funds, but others are covered solely by national funds.

The Ministry of National Economy is responsible for allocating resources to those ministries with VET responsibilities. Funds are included in the public budget (comprising the ordinary and public investment budgets) approved every year by Parliament. For IVT, the ordinary budget covers funding for teaching staff wages, building rents, printed material, services, free book distribution to students and other general recurrent operational costs. The public investment budget covers capital expenses, such as buying land, constructing buildings and buying basic equipment.

2.2.1.2. Regional/local government funding

Prefectures and municipal authorities merely distribute funding for IVT to publicly-owned upper secondary training institutions (TES, TEL and EPL until 1998, EL and TEE since then) in their area. Although they are responsible for operating those institutions, they are not a specific source of funds. Prefectures do not raise local taxes and while municipal governments raise some local taxation, it is not for supporting education and training.

2.2.2. Greek State and EU cofunding

The general rule of State and EU cofunding is 25:75 (see Section 1). Officially, EU funds are merged with national funds within the general State budget and, at least for IVT a disaggregation is not feasible. The main EU funds for IVT are the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

Financial support from the EU is organised through a set of policy measures and actions known as the Community support framework (CSF), which last for six years (1994-99, see Section 1). The CSF is divided into operational programmes (i.e. groups of measures with respective funds for each sector of the Greek economy and administration). In all cases, EU funding is supplemented with funds from the State budget.

All ministries involved in providing IVT receive a significant amount of EU funding through the EPEAEK operational programme of CSF II. The Ministry of Education and Religious Affairs receives EPEAEK funds for OEEK to distribute to individual IEKs. The Ministry of Labour and Social Affairs also receives EPEAEK funding for apprenticeship schools which is distributed through the OAED framework. Other relevant ministries (Agriculture, Merchant Marine, Health and Social Insurance) also reinforce their budgets through EPEAEK funding.

2.2.2.1. Operational programme for education and IVT (EPEAEK)

Within CSF II, EPEAEK was allocated a total budget of EUR 1 847.6 million in 1994. From this, EUR 1 552.9 million was provided by ESF and EUR 294.7 million from ERDF. The ERDF allocation is for infrastructure and capital investment.

The main objectives of EPEAEK (according to its founding regulation) are to:

- enable all young people under 20 years old to have access to a recognised form of VET and to attend programmes which combine training with employment;
- reinforce and upgrade upper secondary level education and training, by making it more up-to-date and flexible and by making it more relevant to the labour market;
- reinforce, improve and adapt educational programmes and teaching curricula;
- train professors, trainers, school principals, educational counsellors and other personnel associated with education and training;
- develop and upgrade tertiary education through reforms to university curricula, to promote short-term postgraduate courses that link vocational training with employment, and develop postgraduate studies and provide incentives for further university research;
- associate all degrees of the educational system with economic activities;
- modernise the central and regional services of the Ministry of Education and Religious Affairs and update its administration.

EPEAEK consists of four subprogrammes, described below. Individual measures within these related to initial education and training are outlined. The relevant EU fund applied to different subprogrammes is given in parentheses.

Subprogramme 1: General and technical education

Measure 1.1 - Reformation of general education curricula (ESF)

Measure 1.2 - Integrated 'lyceum' - EPL (ESF)

Measure 1.3 - Teachers' training and other supporting actions (ESF)

Measure 1.4 – Infrastructure equipment (ERDF)

Subprogramme 2: Initial vocational education and training

Measure 2.1 - Vocational training institutes - IEK (ESF)

Measure 2.2 - Other agents, e.g. Ministry of Agriculture, Ministry of Tourism, etc. (ESF)

Measure 2.3 – Infrastructure educational equipment (ERDF)

Subprogramme 3: Tertiary education

Subprogramme 4: Organisational and administrative modernisation – technical support

Table 11 Approved budget per measure and expenditure for EPEAEK under CSF II (1994-99)

(thousand EUR)

Measure	Total approved budget (1994-99)	Expenditure 1994 - 99	
		Amount	% of the budget
Subprogramme 1: General and technical education	598 462	603 149	1.008
1.1: Reformation of general education curricula (ESF)	229 593	232 993	1.014
1.2: Integrated lyceum (ESF)	51 622	51 010	0.988
1.3: Teacher training and other actions (ESF)	129 445	129 905	1.004
1.4: Infrastructure equipment	187 801	189 242	1.008
Subprogramme 2: Initial vocational education and training	550 086	553 373	1.006
2.1: IEK (ESF)	173 400	181 357	1.046
2.2: Other agents (ESF)	309 192	304 051	0.983
2.3: Infrastructure educational equipment (ERDF)	67 494	67 965	1.007
Subprogramme 3: Tertiary education	574 338	575 941	1.003
Subprogramme 4: Organisational and administrative modernisation	22 201	22 119	0.996
Total funding	1 745 087	1 754 583	1.005

NB: According to the final report of the operational programme the total budget, which was allocated in every subprogramme and measure, has been spent. The declared expenditure slightly exceeds the approved budget in almost every measure, but it will conform to the budget after the final audit of the OP.

Source: Ministry of Education and Religious Affairs, unpublished data from 2002.

Among the EPEAEK subprogrammes, it is subprogramme 2 that mainly applies to IVT. The following table presents details on which ministries and organisations are involved in vocational training and are supported by EPEAEK and the total number of trainees for 1994-97.

Table 12 Number of trainees in IVT programmes supported by EPEAEK

Measure 2.1: OEEK / IEK	31 255
Measure 2.2: Other agents	
Action 2.2a: OAED (Apprenticeship schools)	29 970
Action 2.2a: OAED (IEK)	7 757
Action 2.2b: Ministry of Mercantile Marine	4 238
Action 2.2c: Ministry of Agriculture	n/a
Action 2.2d1: EOT-Tourism Vocational Schools	4 295
Action 2.2d2: EOT-Tourist Guide Schools	763
Action 2.2e: Ministry of Health and Social Insurance	827
Total	79 105

Source: Data compiled by the authors from: Ministry of Education and Religious Affairs, *EPEAEK (CSF II) Evaluation report*, unpublished data from 2002.

2.2.3. Household budgets

Household budgets play a significant role in funding IVT due to the number of private institutions certified to operate within the same framework as public institutions. They operate at both upper secondary (now technical vocational institutes – TEEs - formerly TELs and TESs) and post-secondary levels (private IEKs). The number of private training institutions varies significantly between regions and for different occupations. In general, privately-owned training institutions are concentrated in the larger cities of Greece, while public ones are more evenly spread across the whole country.

The main reasons students attend private IVT schools are, either a specific course is not available in a public school in the same area, or the technical and educational level of the specific school is superior to the public ones.

While it is likely that household budgets make an important contribution to overall funding for IVT, it is not possible to provide an estimate of how much is spent. Official statistics on household expenditure are too general and do not distinguish between basic education and IVT. Only funding for post-secondary VET (private and public IEKs) by household budgets can be estimated, under certain assumptions.

Another form of VET funded entirely by household budgets, but difficult to estimate, is non-formal vocational education and training provided by liberal studies centres (KES).

2.2.4. Total funding levels

The great variety of agents engaged in IVT, complex funding and a lack of homogeneity of available data make estimating funding levels a difficult task. Budgets and expenditure according to EPEAEK data have been presented. Table 13 provides a breakdown of real expenditure for public TES, TEL and EPL between 1984 and 1994.

Table 13 *Real expenditure (1994 prices) for initial vocational education and training, 1984-94*

(million GRD)*

	Current expenditure (million GRD)	Capital expenditure (million GRD)	TOTAL	
			million GRD	thousand EUR
1984	7 100	2 800	9 900	34 375.000
1985	8 900	2 400	11 300	39 236.111
1986	9 800	2 600	12 400	43 055.556
1987	12 900	2 400	15 300	53 125.000
1988	14 920	2 600	17 520	60 833.333
1989	19 500	2 700	22 200	77 083.333
1990	20 500	2 400	22 900	79 513.889
1991	24 900	2 800	27 700	96 180.556
1992	31 000	5 300	36 300	126 041.667
1993	35 000	6 300	41 300	143 402.778
1994	40 000	5 500	45 500	157 986.111

* EUR 1 = GRD ~ 340.

Source: L. Karagiannopoulos. The economics of the Hellenic education system: creation of a database of economic and educational indicators for the period 1970 to 1994. Doctoral Thesis (submitted), Harokopion University, Athens, 1997.

2.3. Funding allocation mechanisms for IVT

2.3.1. Upper secondary initial training

Budgeting for recurrent funding of IVT is divided into two stages: planning and allocation. The second stage is dependent on the first.

Budgetary planning, in general, is a bottom-up procedure. In other words, every year each education and vocational institution submits a budgetary proposal to the competent ministry via municipalities and prefectures for approval. The Ministry of Education and Religious Affairs submits its analytical budget, on all types of expenditure, to the Ministry of National

Economy. Once completed, an analytical budget is drawn up and submitted to parliament for approval. At the budgetary planning stage, each publicly owned initial training institution submits its proposal for next year's recurrent funding level to its municipal authority. Their budgetary bid is based on their funding and expenditure for the previous year and any requests for additional funding must be fully justified by the demographics of the area and/or any capital investments made the previous year which require an increase in recurrent costs. Municipalities submit their budgetary bid for recurrent funding for their training institutions to the prefectures, which in turn submit it to the Ministry of Education and Religious Affairs. At each stage of the process, budgets must fall within financial quotas given by the Ministry of Education and Religious Affairs for each prefecture.

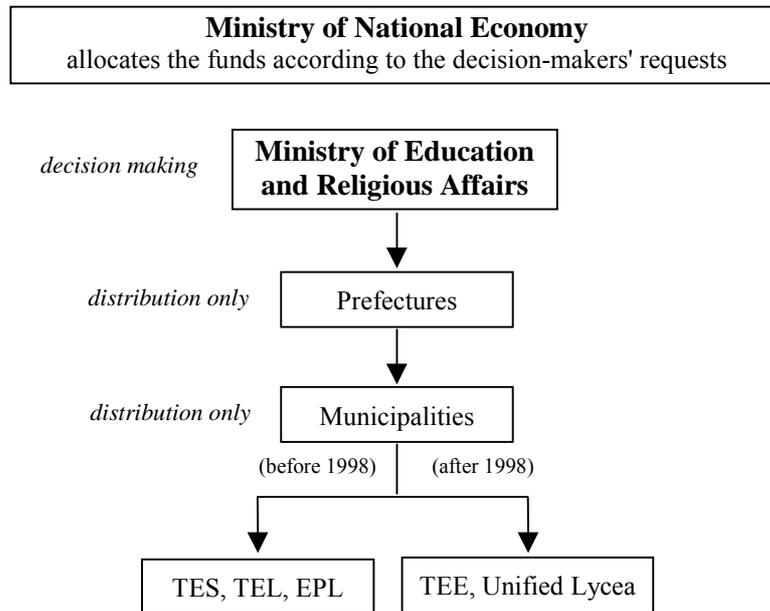
Usually, the budgetary planning with the resulting analytical budget at central government is accepted and approved.

Financing of vocational training is a top-down procedure following the reverse route of budgetary planning. Funds are allocated by the Ministry of National Economy to the Ministry of Education and Religious Affairs according to the approved public budget. The Ministry of Education and Religious Affairs allocates the relevant funds to prefectures' education committees, which in turn transfer the approved amount to municipal education committees. Municipal education committees are responsible for financing initial training institutions within their jurisdiction. As mentioned earlier, recurrent budgets are delegated through different government levels; neither prefecture nor municipality have tax raising powers for initial education and training. In practice, prefectures and municipalities have little control over the way funds are distributed.

An additional budgetary item is added to recurrent budgets for capital costs. This is retained by municipalities for capital funding for training institutions within their area.

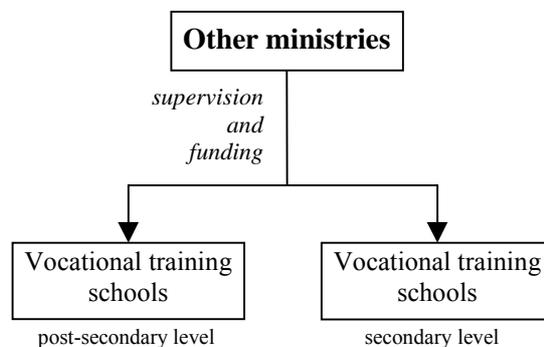
Budgetary control is complex especially for EU funding. Each training institution has to provide the Ministry of Education and Religious Affairs with a detailed breakdown of its expenditure. Aggregated expenditure tables are passed on to the Ministry of National Economy and to the monitoring committee of the CSF.

Figure 5 Public funding for upper secondary vocational education and training



For those vocational training institutions under the responsibility of individual ministries e.g. agricultural training schools, tourism, merchant marine, etc., budgetary planning follows the same procedure. Individual institutions submit their budgetary proposals to the ministry responsible. The ministry then submits this proposal as part of its total budgetary bid to the Ministry of National Economy. Individual ministries are responsible for allocating budgets to training schools within their jurisdiction. As much funding for these specific training institutions comes from EPEAEK, this expenditure is also monitored closely by the CSF monitoring committee.

Figure 6 Public funding of IVT by other ministries

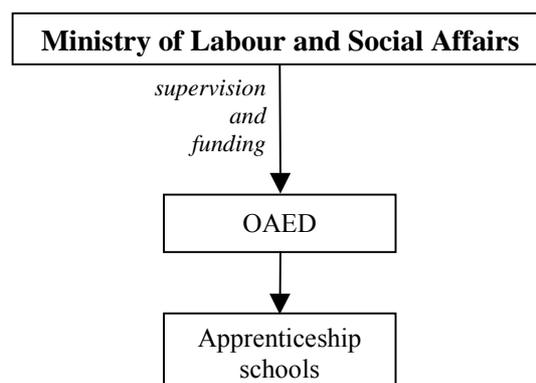


2.3.2. Apprenticeship training

Most funds for apprenticeship training within OAED apprenticeship schools (SMs) comes from the EPEAEK programme via the Ministry of Labour and Social Affairs. As with training institutions at upper secondary level, the budgetary planning procedures also apply with individual SMs bidding for their budgets via OAED regional offices to OAED central office and the Ministry of Labour and Social Affairs. SMs are also bound to bid within certain quotas, mainly the number of training places available for certain occupations.

The Ministry of National Economy allocates EU and national funding via the EPEAEK programme to the Ministry of Labour and Social Affairs specifically for funding OAED SMs. This funding is distributed from the central level OAED via regional OAED offices to SMs. As with other EPEAEK funding, expenditure is monitored by the monitoring committee of the Ministry of National Economy.

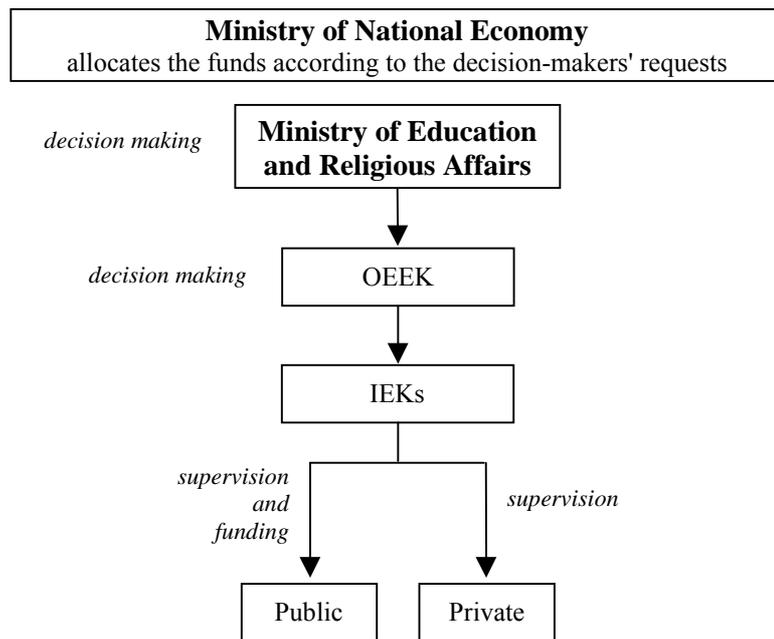
Figure 7 Public funding for apprenticeship training



2.3.3. Post-secondary initial training

Funds for the Organisation for Vocational Training and Education (OEEK) and IEKs also come from EPEAEK. OEEK receives an EPEAEK allocation from the Ministry of Education and Religious Affairs which is distributed to IEKs. This mainly covers recurrent funding as IEKs operate within the existing training infrastructure. As with the upper secondary training funding system, the budgetary process works according to a bottom-up principle, i.e. individual IEKs bid for budgets by submitting a detailed budgetary plan to OEEK. OEEK also raises a small level of funding through payment from private training institutions for certificates to operate as IEKs. Again, due to EU funding, the monitoring committee of the Ministry of National Economy closely checks expenditure.

Figure 8 Public funding of IVT (post-secondary vocational education and training)



2.4. General conclusions

The operation and funding structure for initial vocational education and training in Greece is complex. The most important points are:

- the main public agent providing IVT through various types of schools is the Ministry of Education and Religious Affairs. OAED, which is supervised by the Ministry of Labour and Social Affairs, covers the apprenticeship part of IVT, which is becoming less attractive and populated. Other ministries and public organisations are also involved on a smaller scale in IVT provision;
- the educational reform of 1998 has reinforced the role of the Ministry of Education and Religious Affairs in IVT provision. Since the first graduates of the new type of school (TEE) have not yet entered the labour market, it is impossible to comment on the efficiency of this reform;
- IEKs as institutions of post-secondary vocational education and training have a good reputation and results. They are run by public (State) and private providers and offer courses according to current, local labour market needs. The increasing number of schools, students and courses indicates sound results and a secure future for these institutions. The certification procedure is reliable and harmonised with the EU vocational training certification system;
- the main source of funding for IVT managed by public agents is the CSF, namely EU funding resources (the ESF and the ERDF), and the Greek State budget at a proportion of

75% to 25% respectively. The Ministry of National Economy has a dominant role in allocating funds;

- although local authorities have responsibility for all types of schools for secondary education, they do not have their own funding resources. They merely distribute money the Ministry of Education and Religious Affairs allocates to schools within their jurisdiction;
- private funding for IVT stems mainly from households, which financially support young pupils who attend courses in private vocational schools, TEEs, IEKs and KESs. Funding is significant, but it cannot be estimated;
- there is a great effort, mainly through recent educational developments and reforms, to keep up with current economic and technological developments and help young people to enter the labour market and succeed in meeting labour market and enterprise needs.

3. Continuing vocational training (CVT)

3.1. Background information on CVT

CVT in Greece is defined as:

- (a) continual provision of supplementary training to all employees through several means, to improve their knowledge and skills and thus enable them to keep up with developments in their sector and meet new demands of the labour market;
- (b) provision of supplementary training so professionals working within a sector undergoing economic change can shift to similar professional activities in demand on the labour market.

Until the early 1980s, lifelong learning and CVT were almost unknown in Greece. Only large public and private companies of international interest had some training for their employees. In the past, it was believed only newly hired employees needed training and this was interpreted as more experienced employees transferring some basic knowledge and skills to new recruits, i.e. on-the-job training. A more organised form of CVT, however, was viewed to be a more active employment policy, having a direct effect on rational distribution of the workforce, regional development and spread of technology.

It was not until recently that both employers and employees started to become more aware that participation in CVT programmes contributes to employees' professional development, enterprise productivity and national economic development. Significant steps have been taken in organising and funding CVT since the mid-1980s, as outlined below.

- Since 1986 the manpower employment organisation (OAED) funds and supervises activities for internal business training of employees in private enterprises. These are cofinanced by the European Social Fund (ESF), the Greek State budget and enterprises themselves. The first two sources represent public funding and form a significant part of the OP for CVT within CSFs I and II.
- Other CVT activities addressed at various employee categories (e.g. employees in the private or public sector, employees in less developed regions, etc.) have been integrated into the CSFs I and II for Greece (1989-93 and 1994-99) within various OPs, such as regional OPs, tourism OP, agriculture OP, etc.
- Vocational training centres (KEKs) were first set up in 1995 and are cofinanced by ESF. They mainly set up continuing training for both employed and unemployed people. KEKs are specialised, non-profit making organisations certified to provide vocational training by the National Certification Centre of CVT Structures (EKEPIS), an administrative body supervised by the Ministry of Labour. KEKs operate within nine fields: environment, health services, culture and sport, pedagogic and training, administration and economy, information technology and applications, tourism and services, agriculture, engineering and transport. KEKs can be regional or national organisations depending on the number

and location of their branches. They should be specialised and offer courses in a maximum of three of the above areas.

- A special fund (LAEK) was set up after an agreement between the social partners to support CVT activities for employees insured by the Social Security Foundation (IKA), as well as unemployed people. This fund started in 1996.
- Since 1996 there has been a tendency to create autonomous funding for CVT to support liberal professionals, farmers, merchants and other groups of self-employed people. The first step was the foundation of a special organisation for agricultural vocational training and employment to provide training to farmers. According to Act 2520/97, and following the example of LAEK, a percentage of the insurance contribution of farmers to the Agricultural Insurance Organisation (OGA) is withheld to support training.

3.1.1. CVT in private enterprises

There are two major mechanisms for CVT in private enterprises in Greece: the internal business training programme and the LAEK fund.

(a) Internal business training programme

This programme has been operating for more than 15 years. It is supervised by OAED and financed by public (EU and State) as well as private funding. The programme covers enterprises of all sizes (small, medium and large) and sectors. OAED publicises annual calls for interest and enterprises submit proposals outlining their training programme. These programmes can be between 150 to 300 hours and cover various fields. Proposals are evaluated by OAED and most are approved for funding, usually with a smaller budget than requested. Before submitting proposals, enterprises should agree with a KEK to implement the training programme. OAED local agencies are responsible for inspecting each programme, since the public contribution to the budget varies from 50% to 70% (depending on enterprise size), while the enterprise contributes the remaining 50% to 30%.

(b) LAEK

The LAEK fund is a purely private resource for CVT funding. CVT has recently been included in collective agreements in various sectors indicating the commitment of social partners. The LAEK fund (fund for employment and vocational training) started up in 1996. It is supported by a joint employer/employee contribution of 0.81% (0.45% for vocational training and 0.36% for employment) of the total salary of each employee, and is collected by the Social Security Foundation (IKA). LAEK is managed by a tripartite committee with technical support from OAED. The procedure for planning and implementing training programmes is more flexible than the internal business training programme.

Each enterprise may organise one or more training courses and, after completion, may apply for reimbursement of expenses up to 80% of the previous years' contribution to the LAEK fund. The training provider could be a KEK, a KES or an individual trainer. Ten days before the course starts, an enterprise has to submit a course schedule to the local agency of OAED,

which is responsible for checking the programme is carried out properly. Courses are usually short (20 to 100 hours) with small numbers of participants. This is due to reimbursement levels for training, although courses are more specialised and effective as a result.

3.1.2. CVT in public sector enterprises

Public sector employees (including public utility services) can have access to continuing training courses, either within the framework of training activities planned by their services/organisations or by asking for training leave. Since the second option falls within the category of individual CVT (see below), only the first will be discussed here.

The National Centre of Public Administration (EKDD) is responsible for continuing education and training for public servants. It is a public organisation, which consists of two scientific units: the continuing education institute (IDE) and National School of Public Administration (NSPA).

IDE has two branches: one in Athens and one in Thessaloniki. Its training programme is structured as a series of courses, in various interrelated subjects such as: public management, total quality management, informatics, economic and urban planning, public policy, EU issues, foreign languages, etc. Courses last between 40 and 100 hours and the institute informs public services and organisations of scheduled training. Employees can apply to their service and ask permission to attend one or more courses. IDE has special introductory training providing basic administrative knowledge and skills to prepare new public servants for their jobs. These courses are obligatory for all new recruits. The CSF, through OP Kleisthenis (modernising the public administration), finances the major part of these training activities.

The NSPA provides courses in professional education designed to equip people with special professional skills and knowledge. Participants in NSPA courses are highly qualified in various disciplines and courses lead to a nationally recognised qualification. This is a precondition for anyone wishing to be appointed to upper civil service positions. Study for each course lasts for two calendar years enriched with on-the-job practice and training, empirical research, oral presentations and structured theses.

Public sector services and organisations also plan and carry out internal business training courses for their employees on administrative, financial and technical subjects. Public utility services can receive funding from subprogramme 2 of the OP continuing education of CSF II and most have set up KEKs to implement courses.

3.1.3. CVT in the agriculture sector

CVT in the agricultural sector aims to provide the necessary knowledge and skills to all those employed in rural professions, forestry or fishery, as well as rural economy and development. The Ministry of Agriculture implemented a wide programme within CSFs I and II for training farmers, forest workers and fishermen. Training courses were provided in 68 agricultural education centres (KEGEs) and three practical agricultural schools. They lasted from 100 to 300 hours and focused mainly on practical and technical issues. Special interest and priority was given to training new farmers and those submitting plans for improving their enterprises.

3.1.4. CVT for self-employed people

Self-employed people (professionals, merchants, craftsmen, and farmers) did not have the same level of access to CVT until recently when regulations were established to increase access. The need for independent funding led to the following changes:

- professional organisations themselves started funding training;
- employers with few employees (up to 10 people) may now participate in training actions.

3.1.5. Individual CVT

While KEKs are funded mainly by EU funds, liberal studies centres (KESs – see Section 1) are privately owned and individual participants pay fees. Working people can apply individually to attend training courses in KEKs organised within the framework of CSF funded programmes (mainly through regional OPs), or they can attend courses provided by KES at their own expense. There is a tax incentive for fees paid by self-employed people to KES.

3.2. Funding sources

CVT is financed publicly and privately. The major source of public funding is the CSF through relevant operational programmes (OPs). Household budgets are the largest source of private funding. While there is little data on household expenditure there is data on the second largest private source: the LAEK fund.

3.2.1. Public funding

3.2.1.1. Central government funding

State funding of CVT is planned and distributed through the CSF. The ministries involved supervise the planning, allocation and expenditure of this funding.

3.2.1.2. *Regional/local government funding*

Regional authorities are also allocation agents for minor portions of CSF funding for CVT through their regional OP budget for training programmes.

Local authorities at prefecture or municipal levels are not a source of funding. Occasionally, they act as final users of CVT funding, since they have set up KEKs to provide training courses for citizens in their jurisdiction.

3.2.2. **State and EU cofunding**

State and EU cofunding for CVT was realised through CSF II mainly within two OPs belonging to Priority 4 (development of human resources and promotion of employment). These are:

- (a) OP continuing training and promotion of employment with a total budget of EUR 1 447.66 million for 1994-99;
- (b) OP modernisation of public administration (Kleisthenis) with a total budget of EUR 292.4 million from which 35.9 million covered training.

Each OP of the CSF is articulated in subprogrammes, measures and actions, covering different supporting needs. The whole amount is not distributed to training activities (a more detailed description of the relevant activities and their budgets will follow). In addition to these two OPs, there are measures and actions in other OPs which cover training.

3.2.2.1. *OP continuing training and promotion of employment*

The OP continuing training and promotion of employment of CSF II was divided into three subprogrammes (SPs):

- SP1: development of CVT infrastructure;
- SP2: CVT for employees;
- SP3: training and promotion of employment for unemployed people and those at risk of unemployment.

SP2 is the main source of CVT funding. SP 2 supports the internal business training programme and is divided into four measures:

- M1: CVT in small enterprises (up to 50 employees),
- M2: CVT in medium enterprises (51 to 300 employees),
- M3: CVT in large enterprises (more than 300 employees),
- M4: CVT in enterprises under restructuring.

The following tables present the total budget of OP continuing training and promotion of employment by funding source, the budget of SP2 by measure and expenditure on SP2 per measure and per year (all amounts in EUR).

Table 14 Total budget of OP continuing training and promotion of employment, by funding source (CSF II, 1994-99)

			total EUR	% of total budget
Public expenditure			1 242 674 455	85.8
	total EUR	% of total budget		
ERDF	25 100 000			
ESF	941 500 000			
Total EU funding	966 600 000	66.8		
State budget	276 074 455	19.1		
Private funding			204 986 737	14.2
Total budget			1 447 661 192	100.0

Source: Ministry of National Economy, unpublished data from 1999.

Table 15 Budget for SP2 (CVT for employees), by measure (CSF II, 1994-99)

	Total budget	Public funding						Private funding	
		Total public funding		EU funding (ESF)		State funding			
			%		%		%		%
	1 (=2+8)	2 (=4+6)	3 (=2/1)	4	5 (=4/1)	6	7 (=6/1)	8	9 (=8/1)
SP 2	530 049 301	325 062 564	61	252 032 217	48	73 030 347	14	204 986 737	39
M2.1	124 827 063	87 378 944	70	67 593 032	54	19 785 912	16	37 448 119	30
M2.2	280 733 520	168 440 112	60	132 065 378	47	36 374 734	13	112 293 408	40
M2.3	105 787 974	55 835 164	53	42.317 549	40	13 517 615	13	49 952 810	47
M2.4	18 700 744	13 408 344	72	10 056 258	54	3 352 086	18	5 292 400	28

Source: Ministry of National Economy, unpublished data from 1999.

Table 16 Expenditure of SP2 (CVT for employees), by measure per year (CSF II, 1994-99)

	Total budget	Expenditure per year						Total 1994-98	Budget 1999
		1998 (est.)							
		1994	1995	1996	1997	1998 (est.)	6		
	1	2	3	4	5	6	7= 2+3+4+5+6	8	
SP 2	530 049 301	25 215 887	153 874 530	54 486 582	34 707 596	49 252 101	317 536 696	180 882 353	
M2.1	124 827 063	2 141 777	23 798 908	21 225 607	18 837 243	22 193 277	88 196 812	29 411 764	
M2.2	280 733 520	385 597	69 426 576	19 744 877	0	27 058 824	116 615 874	142 647 058	
M2.3	105 787 974	16 332 058	51 178 018	12 289 080	14 224 109	0	94 023 265	8 823 531	
M2.4	18 700 744	6 356 455	9 471 028	1 227 018	1 646 244	0	18 700 745	0	

Source: Ministry of National Economy, unpublished data from 1999.

The internal business training programme has been operating since 1986 to support CVT in enterprises with cofinancing from national and EU funds (ESF), as well as private (enterprise) cofunding; therefore, more data are available. The following table shows EU and national funding for internal business training between 1986 and 1996, as well as numbers of trainees.

Table 17 Public funding for internal business training within enterprises (1986-96)

	Trainees	ESF (EU funding)		OAED (State funding)		Total public funding	
		GRD	EUR	GRD	EUR	GRD	EUR
1986	3 572	409 704 750	2 981 840	220 610 250	1 605 606	630 315 000	4 587 445
1987	5 704	823 832 100	5 274 213	443 601 900	2 839 961	1 267 434 000	8 114 174
1988	16 587	3 880 544 850	23 167 432	2 089 524 150	12 474 771	5 970 069 000	35 642 203
1989	48 643	9 877 839 000	55 245 185	9 250 421 340	51 736 137	19 128 360 340	106 981 881
1990	45 908	8 870 185 070	44 042 627	10 623 418 940	52 747 860	19 493 602 010	96 790 477
1991	41 043	16 600 790 350	73 715 765	11 067 193 570	49 143 844	27 667 983 920	122 859 609
1992	44 753	12 487 169 200	50 555 341	4 162 389 750	16 851 780	16 649 558 950	67 407 121
1993	47 584	11 026 838 025	41 068 298	3 675 612 008	13 689 430	14 702 448 033	54 757 721
1994	25 190	7 389 419 300	25 657 706	2 463 140 000	8 552 569	9 852 559 300	34 210 275
1995	55 480	16 260 736 700	53 683 515	5 420 245 600	17 894 505	21 680 982 340	71 578 020
1996	31 513	480 981 800	1 574 409	1 603 272 670	5 248 028	6 413 090 670	20 992 113

Source: OAED (unpublished data).

The above table shows that since 1989 there has been an increase in funding due to a rising number of employees participating. It should be mentioned the comparison between trainees and costs is not possible, because for each programme payments to beneficiaries (enterprises) occurred not only in the year that the programme took place, but also during the subsequent one or two years.

3.2.2.2. OP modernisation of the public administration (Kleisthenis)

The OP Kleisthenis has funded public sector training. The main agent for these activities, the continuing education institute (IDE), from 1994 to 2000 provided 3 352 training programmes, to 83 549 trainees, at a total cost of EUR 19 094 000.

3.2.2.3. The regional part of the OP on human resources

All regional OPs include a subprogramme on human resources with various measures among which one refers to CVT. Additionally, eight regional OPs include measures for CVT in specific sectors (e.g. rural development, tourism and manufacturing).

3.2.2.4. Training in the agricultural sector

The following table summarises activities and costs of training in the agricultural sector during CSFs I and II.

Table 18 Training in the agricultural sector during CSF I and CSF II

	Total trainees	Trainees <40 years	Training courses	Total Expenditure	
				million GRD	thousand EUR
1986	3 000	460	155	110	800.582
1989	3 230	568	160	120	671.141
1990	2 890	488	116	115	571.003
1993-94	6 587	1 900	265	767	2 758.993
1995	14 149	5 377	586	3251	10 732.915
1996	26 053	9 900	1 047	4941	16 173.486
1997	21 642	9 000	1 062	5785	18 703.524
1998	23 966	11 000	1 057	6748	20 405.201

Source: Ministry of Agriculture (url : <http://www.minagric.gr/greek/3.2.1.html>).

The missing years in this table show a lack of training. During CSF II (1994-99) the programme for training new farmers (under 40 years) was the most important.

3.2.3. Private funding

Private funding for CVT comprises: contribution to the budget for training programmes carried out under subprogramme 2 of OP continuing training and promotion of employment (see section 3.2.2.1.); funding training through LAEK fund; and household budgets.

3.2.3.1. Private funding for internal business programmes

Enterprises, which implement training programmes under subprogramme 2, have to contribute a certain percentage to the budget. This is 30% for small enterprises and restructuring enterprises (measures 1 and 4), 40% for medium-sized enterprises (measure 2) and 50% for large enterprises (measure 3). Table 19 shows enterprise contributions calculated by applying these percentages to the figures given in Table 16.

Table 19 Private funding for internal business programmes (OP continuing training and promotion of employment), by measure per year

		Expenditure per year										Total 1994-1998	Budget 1999
		Total budget		1994	1995	1996	1997	1998 (est.)	7= 2+3+4+5+6				
		1	2	3	4	5	6	8					
SP 2		530 049 301	25 215 887	153 874 530	54 486 582	34 707 596	49 252 101	317 536 696	180 882 353				
M1	Total	124 827 063	2 141 777	23 798 908	21 225 607	18 837 243	22 193 277	88 196 812	29 411 764				
	Private	37 448 119	642 533	7 139 672	6 367 682	5 651 173	6 657 983	26 459 043	8 823 529				
M2	Total	280 733 520	385 597	69 426 576	19 744 877	0	27 058 824	116 615 874	142 647 058				
	Private	112 293 408	154 239	27 770 630	7 897 951		10 823 529	46 646 349	57 058 823				
M3	Total	105 78 974	16 332 058	51 178 018	12 289 080	14 224 109	0	94 023 265	8 823 531				
	Private	52 893 987	8 166 029	25 589 009	6 144 540	7 112 054		47 011 632	4 411 765				
M4	Total	18 700 744	6 356 455	9 471 028	1 227 018	1 646 244	0	18 700 745	0				
	Private	5 610 223	1 906 936	2 841 308	368 105	493 873		5 610 223					

Source: Ministry of National Economy, unpublished data from 1999.

3.2.3.2. Fund for employment and vocational training (LAEK)

In Table 20, the LAEK fund used by enterprises is outlined for 1994 to 2000. Despite increase in use of the fund, which started in 1996, there is still a great divergence between LAEK reserves and amounts spent, mainly due to lack of flexibility from small enterprises to make best use of the funds (see section 3.3.2.).

Table 20 LAEK funding of employees training

	Expenditure (GRD)	Expenditure (EUR)
1994	579 621 586	2 012 575.00
1995	935 896 428	3 089 786.82
1996	3 310 350 599	10 835 844.80
1997	8 452 417 953	27 327 571.80
1998	8 202 455 678	24 803 313.20
1999	8 563 732 000	26 293 312.90
2000	11 574 443 282	34 386 343.68

Source: OAED – LAEK managing committee (unpublished data).

3.2.3.3. Household budgets

Household budgets are another funding resource from individuals taking part in training offered by the free market. Since national budgets contain aggregated data on household expenditure on both education and training, there is no credible data source for this funding and no estimation is feasible.

3.3. Funding distribution mechanisms

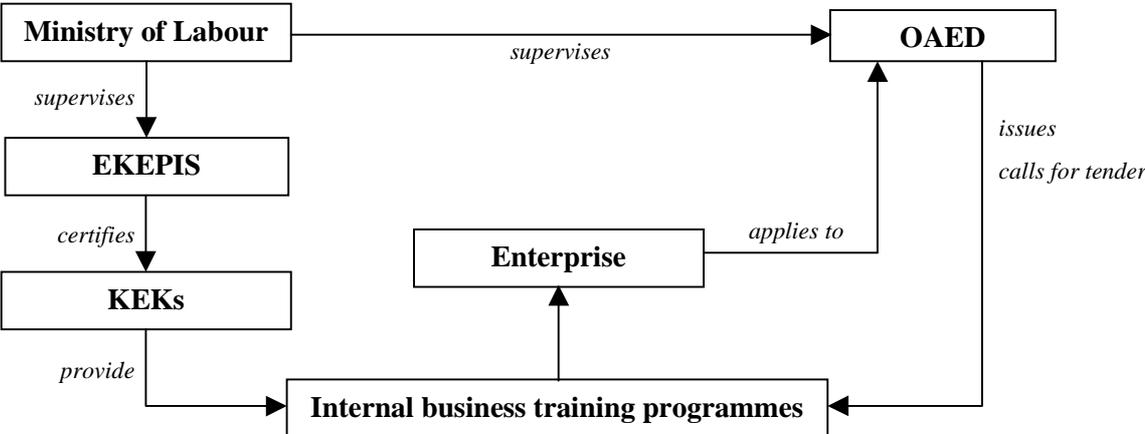
3.3.1. State and EU cofunding

3.3.1.1. Internal business training for employees in private enterprises

OAED is responsible for managing this programme and plans the annual general framework for types of training eligible for funding. Enterprises submit bids to OAED for running internal CVT courses. For enterprises with fewer than 300 employees, the enterprise should make an agreement with a KEK to provide the specified training, before the bid is submitted. Enterprises with more than 300 employees are able to provide training by their own means. Bidding is governed by certain quotas, most notably, there is a ceiling on cost per training hour per trainee. These quotas ensure that funds are distributed evenly and spent efficiently.

The selection criteria for enterprises to receive subsidies for internal business training are stated within special OAED circulars. Criteria include grouping enterprises according to certain features, for example: size, sector, district, economic yield (e.g. export percentage of turnover) and social yield (e.g. number of new employees, number of women employees) as well as other conditions such as carrying out a business reorganisation plan, introducing new technology, etc. Taking these criteria together, a mix of eligibility parameters are created that consider economic yield, spatial arrangement, introducing technology and creating employment. These form the basis of OAED’s evaluation procedure for proposals submitted by enterprises.

Figure 9 Public funding of CVT



After approval, the enterprise can start the training programme announcing this to OAED. According to the funding regulation, 50% of public contributions to the programme’s budget is transferred to the enterprise within a month of the announcement. After completion of the programme, and with two positive inspection reports from OAED local agencies, another 30% of the public contribution is granted. The remaining 20% is given when the programme is finished and expenses have been audited and approved by OAED central services.

The private contribution to the programme, which varies from 30 to 50% (depending on enterprise size), is covered by the enterprise mainly through eligible elements of budget which are already real expenses (i.e. consumable, raw materials for the practice part of training, salaries of training supervisors, etc.).

3.3.1.2. Continuing training in other OPs

CVT cofunded by Greek State and EU within the CSF framework exist in several other OPs, mainly in the 13 regional OPs and the OP Kleisthenis. Funding procedures vary depending on who is responsible for implementing and providing training. Training for which KEKs are eligible requires ministries or regional authorities to make a public call for proposals (once or twice a year) and all eligible KEKs make their bids. These are evaluated and each training

programme/activity is assigned to a KEK. KEKs are obliged to implement their training programmes within a certain time period (usually a few months) and to announce the starting date. The ministry or regional authority should provide 50% of the budget after the programme starts, another instalment during its implementation, with the balance paid after final auditing and approval of expenses. Payments are rarely made in time, which is one of the major problems for all involved.

If the training provider is not a KEK but a public training institute, which was the case in the OP Kleisthenis, payment is similar, but there are two differences. There is no bidding, and auditing is not so strict and is conducted by sampling and not per programme.

3.3.2. LAEK

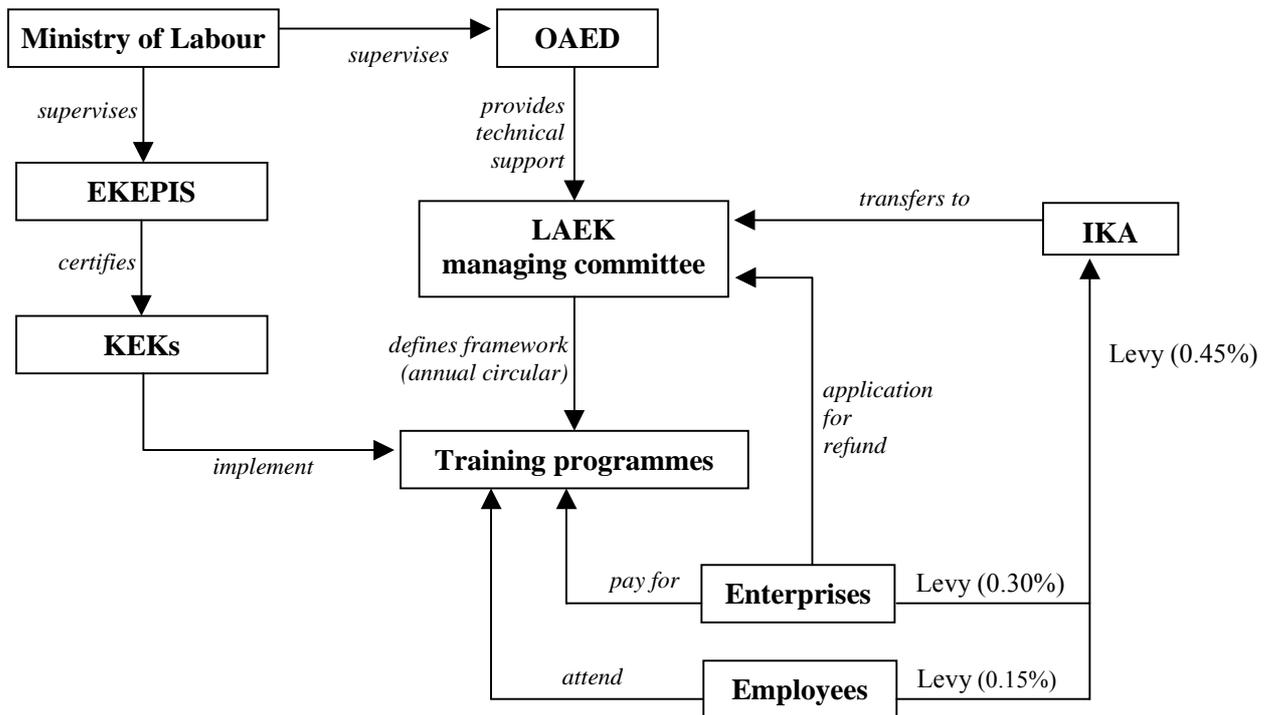
The LAEK fund receives contributions from both employers' and employees' and part of it is used to reimburse enterprises for training costs. This contribution amounts to 0.45% of the yearly total gross employees' wages of each enterprise. Act 2434/96 defines the administrative framework and entitlement criteria.

Enterprises can claim reimbursement for expenditure on training after completion in the year after the training was undertaken. Enterprises are entitled to receive up to 80% of total expenditure on training from the LAEK fund up to a ceiling based on its contribution to the fund the previous year. The whole procedure is supported by OAED services, according to LAEK regulations. It is possible to transfer unspent amounts to the following year.

The main problem with LAEK is that small enterprises contribute small amounts a year and are not able to use the money they are entitled to for staff training they need. As a result, large amounts left unused are transferred after two years to employee and employer associations, which in return implement training programmes for their members.

The LAEK fund, however, is used constructively by large enterprises (e.g. banks, insurance companies, big industrial enterprises, etc.), which have large amounts of money at their disposal and are able to plan their vocational training programmes effectively.

Figure 10 Private funding of CVT (LAEK fund)



3.4. General conclusions

The dominating factor on CVT from 1986 to 2000 is the flow of funding from the EU (specifically ESF), which significantly increased during the second half of this period. Developing a substantive CVT system in Greece, with all its positive and negative aspects, is strongly connected with this. Conclusions on CVT for employees during this period can be summed up as follows:

(a) strong points:

- the two CFSs for Greece played a decisive role in CVT funding during the 1990s, since they undoubtedly gave support and provided incentives for introducing and providing various training courses in all regions;
- as certain training agents were significantly supported by funds, there was an upgrading of training actions and therefore more options for enterprises and employees;
- both the quality of training and participation levels increased;
- business and employee organisations managed to set up some CVT subsystems to assist their members;
- economic globalisation, technological advances and increasing international competition made enterprises realise the importance of vocational training and try to make the best use of funding for investing in their human capital. This applies more for larger enterprises and less for SMEs;

- the fast growth in training actions funded by LAEK (mainly after 1997) seems to be the future of CVT financing, with main advantages that (a) it is self-financing, and (b) it increases business flexibility for the specific content of training courses they can choose;

(b) weak points:

- the CVT system for employees experienced a long period of underdevelopment, when the priority of enterprises was receiving funds rather than vocational training for employees;
- every CVT subsystem was developed without being connected to developmental priorities, modernisation procedures and restructuring, something clearly visible in the agricultural and public sectors;
- until recently, the funding procedure on ESF was characterised by inconsistencies, delays and insufficient administrators.

4. Training for unemployed people

4.1. Background information

The rate of unemployment in Greece, which was less than 8% in the 1980s, has increased to more than 10% in the mid-1990s, where it remains. Long-term unemployment accounts for almost one third, while youth and long-term unemployment cumulatively has been over 50% during the last decade and has been increasing steadily. Part of the problem is due to a demand within the labour market for specific professional specialities, skilled trades and qualifications, which are not sufficiently provided for by the educational and training system. This is one reason an increasing number of young people who have graduated from higher education establishments or from general secondary education may be unemployed.

Until the end of 1980s, there was no clearly defined labour market integration policy for unemployed young people, women or long-term unemployed people. Only in the last decade has training for unemployed people been established and regulated systematically.

Vocational education and training for unemployed people in Greece is handled by OAED, the Ministry of Labour and Social Affairs and regional authorities. An increasing demand for more training opportunities for unemployed people during the last few years required upgrading the services of OAED and the Ministry of Labour and Social Affairs. The EU - via ESF - contributed substantially by funding several training programmes for unemployed people within the framework of CSFs I, II and III and supporting major changes in its provision.

Under the European Employment Agreement, a national action plan for employment has been submitted by the Greek government to the European Commission annually since 1999. These plans address youth unemployment, long-term unemployment and developing active employment policies. These policy lines have been further developed in planning CSF III (2000-06).

4.1.1. CSF I: first Community support framework for Greece (1989-93)

The ESF cofinanced several training programmes for unemployed people in Greece, nationally and regionally. This cofinancing took place within CSF I and reinforced employment and training in regions. However, the final evaluation of results and effectiveness of these programmes in correlation with their cost was not satisfactory. Several providers, often without any experience in training unemployed people, carried out training in many specialities with EU cofinancing. The effectiveness of expenditure could not be established, as there was no plan or mechanism to certify their new skills achieved through training programmes, or to support trainees to reenter the labour market.

4.1.2. CSF II: second Community support framework for Greece (1994-99)

Considering the various problems, the Ministry of Labour and Social Affairs submitted, within the framework of CSF II (1994-99) a proposal for the OP continuing training and promotion of employment. To carry out this programme, a new training provider was set up: vocational training centres (KEKs) to provide vocational training for both employed and unemployed people. The National Certification Centre of CVT Structures (EKEPIS) was the key body in certifying organisations to act as KEKs. The whole procedure was launched in 1995. Over 700 KEKs were set up and operated for about a year. Then their certification and operation were cancelled and a new certification procedure started in early 1998. At the end of 1999, there were approximately 400 KEKs operating nationally and regionally. A third certification procedure started in early 2001 with 262 KEKs operating in the second half of 2002 with a total capacity of 35 000 training places. A further 241 KEKs have been certified to offer training and support specifically to social groups sensitive to labour market exclusion.

Another intervention for unemployed people in CSF II was the OP combating exclusion from the labour market, which addressed eight specific target groups (see section 4.2.1.2.). These same groups were targeted by the Community employment initiative, which had four axes: Horizon, Now, Youthstart, and Integra. Both the CSF and the Community programmes supported integrative activities consisting of at least two main actions (pretraining, training, and promotion of employment) and one accompanying action aimed at a certain subpopulation of a specific target group.

Implementing all these funding and institutional reforms to support unemployed people created a market, or more accurately, a new set of systems, methods and experts, promoting efficient use of public funding and more effective integration of unemployed persons into the labour market.

The social partners also played a role in promoting training measures to tackle unemployment. During 1993 and 1994, two funds were created following the national general collective employment agreement (EGSSE). The first was a special fund for vocational training and education programmes (ELPEKE) designed to support enterprise training (see Section 3). The second was the Special fund for unemployment (EKLA) to support and fund training for unemployed people. The basic idea underpinning EKLA was the borderline between employment and unemployment (or partial employment) becoming more blurred. Therefore, it was important for employees and enterprises to support training for unemployed people, not only for reasons of social solidarity, but also to create the necessary skills in the active population of the country. The two funds (ELPEKE and EKLA) merged in 1996 into the fund for employment and vocational training (LAEK), which continues to support training for unemployed people.

Finally, private contributions to training for unemployed people from households should be highlighted. Several unemployed people (mainly young) attend training programmes at their own (or their families') expense to improve their skills. Since most are young and possibly have no previous job experience, this training is registered as initial training. All training providers of initial training (including IEKs) can also be referred to as providers of UVT.

4.2. Funding sources

4.2.1. Direct funding

Direct funding sources for training unemployed people are public and private. The major public source is the CSF and Community initiatives, while household budgets are the most important source of private funding. The other notable source of private funding is LAEK.

4.2.1.1. OP continuing training and promotion of employment

The OP continuing training and promotion of employment of CSF II was divided into three subprogrammes (SPs):

- SP 1: development of CVT infrastructure;
- SP 2: CVT for employees;
- SP 3: training and promotion of employment for unemployed people and those at risk of unemployment.

The main source of UVT funding is SP3, which is further divided into four measures:

- M1: young unemployed under 25,
- M2: unemployed women,
- M3: unemployed over 25,
- M4: pockets of high unemployment.

Table 21 Budget for SP3 (training and promotion of employment for unemployed persons and those at risk of unemployment), by measure (EUR)

	Total cost		Public funding						Private funding	
			EU funding (ESF)			State funding				
			Total	%	%	EU funding (ESF)	%	State funding	%	%
	1 = 2+11	2 = 4+8	3 = 2/1	4	5 = 4/1	6	7 = 6/1	8	9 = 8/1	
SP 3	825 753 651	825 753 651	100	642 777 044	78	182 976 607	22	0	0	
M 3.1	271 437 778	271 437 778	100	211 607 745	78	59 830 033	22			
M 3.2	65 411 866	65 411 866	100	51 264 781	78	14 147 085	22			
M 3.3	384 478 309	384 478 309	100	300 408 775	78	84 069 534	22			
M 3.4	104 425 698	104 425 698	100	79 495 743	76	24 929 955	24			

NB: M3.1 Young unemployed under 25; M3.2 Unemployed women; M3.3 Unemployed over 25; M3.4 Pockets of high unemployment.

Source: Ministry of National Economy, unpublished data from 2000.

Table 22 Expenditure of SP3 (training and promotion of employment for unemployed persons and those at risk of unemployment), by measure and per year (EUR)

	Total budget (¹)		Expenditure per year													
			1994		1995		1996		1997		1998		Total (1994-98)		Budget 1999	
			1	2	3	4	5	6	7 = 2+3+4+5+6	8						
SP 3	825 753 651	46 250 783	112 972 600	115 440 717	81 853 399	118 529 412	303 647 935	475 046 890								
M 3.1	271 437 778	25 371 876	30 974 508	31 556 428	22 946 729	39 117 647	92 058 824	149 967 189								
M 3.2	65 411 866	1 257 182	9 026 527	5 887 664	5 122 843	5 882 353	26 470 589	27 176 569								
M 3.3	384 478 309	18 059 114	47 140 214	44 633 683	33 644 425	73 529 412	167 471 463	217 006 848								
M 3.4	104 425 698	1 562 591	25 831 351	33 362 942	20 139 400	0	17 647 059	80 896 284								

(¹) EU contribution (ESF) was 75% from 1994 to 1997, 80% from 1998 to 1999.

NB: M3.1 Young unemployed under 25; M3.2 Unemployed women; M3.3 Unemployed over 25; M3.4 Pockets of high unemployment.

Source: Ministry of National Economy, unpublished data from 2000.

4.2.1.2. The OP combating exclusion from the labour market

The OP combating exclusion from the labour market involves the target groups mentioned below. For each of these, at least one main action (pretraining, training, promotion of employment) and one accompanying action are applied.

The eight target groups are:

- people with physical or mental disabilities,
- immigrants, repatriates, refugees,
- prisoners, juvenile offenders, people released from prison,
- parents of one-parent families,
- people in border regions,
- culture and religious minorities,
- ex-drug addicts,
- unemployed 45-64 year-olds.

The OP, with a total budget of EUR 240 421 million for the period 1994 to 1999, was designed to meet the needs of social groups more sensitive to labour market exclusion. The OP is divided into six subprogrammes:

- SP1: people with physical and mental disabilities,
- SP2: immigrants and repatriates,
- SP3: other social groups,
- SP4: people suffering from psychological ailments.

The remaining two subprogrammes refer to common infrastructure and services (SP5) and to technical support (SP6). Training activities are covered by the first measure in each of the four subprogrammes. Total funding from the start of the programme (1996) until June 1999 was EUR 120 791 million.

Table 23 OP combating exclusion. Funding and expenditure

(EUR)

	Total budget		Expenditure 1994 – June 1999		
	Total	EU funding	Total	EU funding	%
SP1	68 044 007	52 905 452	53 472 978	41 241 361	79%
M1	41 060 035	31 731 249	39 234 194	30 266 799	
SP2	51 506 436	40 029 857	44 334 253	34 288 473	86%
M1	34 932 798	26 968 482	34 310 287	26 469 484	
SP3	48 552 499	37 882 035	39 097 010	30 316 231	81%
M1	30 231 508	23 407 461			
SP4	35 703 062	28 562 448	2 806 924	2 245 539	8%
M1	14 566 427	11 653 141	1 948 081	1 558 464	
Total of training measures	120 790 768	93 760 333	75 492 562	58 294 747	

NB: SP1 People with disabilities.
 SP2 Immigrants and repatriates.
 SP3 Mental disabilities.
 SP4 All other groups.

Source: Ministry of National Economy, unpublished data from 2000.

For several reasons (mainly because of delays in certifying KEKs) the rate of expenditure for this OP was low until the end of 1997 (from 1994 to 1997, EUR 78 113 880). The total number of unemployed people trained through this OP until the end of 1997 amounted to 11 156, most of which were men.

4.2.1.3. Community initiatives Employment and ADAPT

(a) Employment

The Employment initiative was aimed at unemployed people with only a few or no qualifications. It aimed to develop skilled trades and qualifications for each target group and carry out the following: pretraining → training → reinforcing systems → employment. Through the four subprogrammes of the initiative, 177 proposals were approved and realised: 33 via Now, 50 via Horizon, 46 via Integra and 48 via Youthstart. Each proposal included training for the relevant target group (women, disabled people, refugees, repatriates, young people, etc.).

Total funding for the period from 1996 to 1999 was EUR 70 686 million.

(b) ADAPT

The ADAPT initiative was developed through Objective 4 of the structural funds, which is to reduce unemployment by helping people and productivity systems adapt to

industrial changes. Several proposals were submitted by various agents to the Ministry of Labour and Social Affairs, from which 114 were approved at each of the two cycles. ADAPT is mainly targeted at unemployed people who have recently been dismissed or lost their job because of restructuring at the enterprise where they used to work, or they are threatened by job loss due to restructuring. Total Community funding, after adding ADAPT-BIS, amounts to EUR 33 527 million.

4.2.1.4. Funding for training of unemployed people by LAEK

As described in Section 2, two funds were set up under Act 2224/94: (a) ELPEKE, and (b) EKLA. The first financed training for people working in enterprises, while the second financed training and employment for unemployed people. Under Act 2434/96, the two funds merged into one named LAEK (employment and vocational training fund), which continues to cover both training for employed and unemployed people. The act established a nine-member administrative committee, competent for allocating LAEK resources, developing actions to promote employment and vocational training and improving the quality of life for unemployed people (mainly for the long-term, young and socially excluded).

During the first three years (1994-96) there were no proposals for unemployed people submitted to LAEK, only training for employees.

4.2.2. Indirect funding

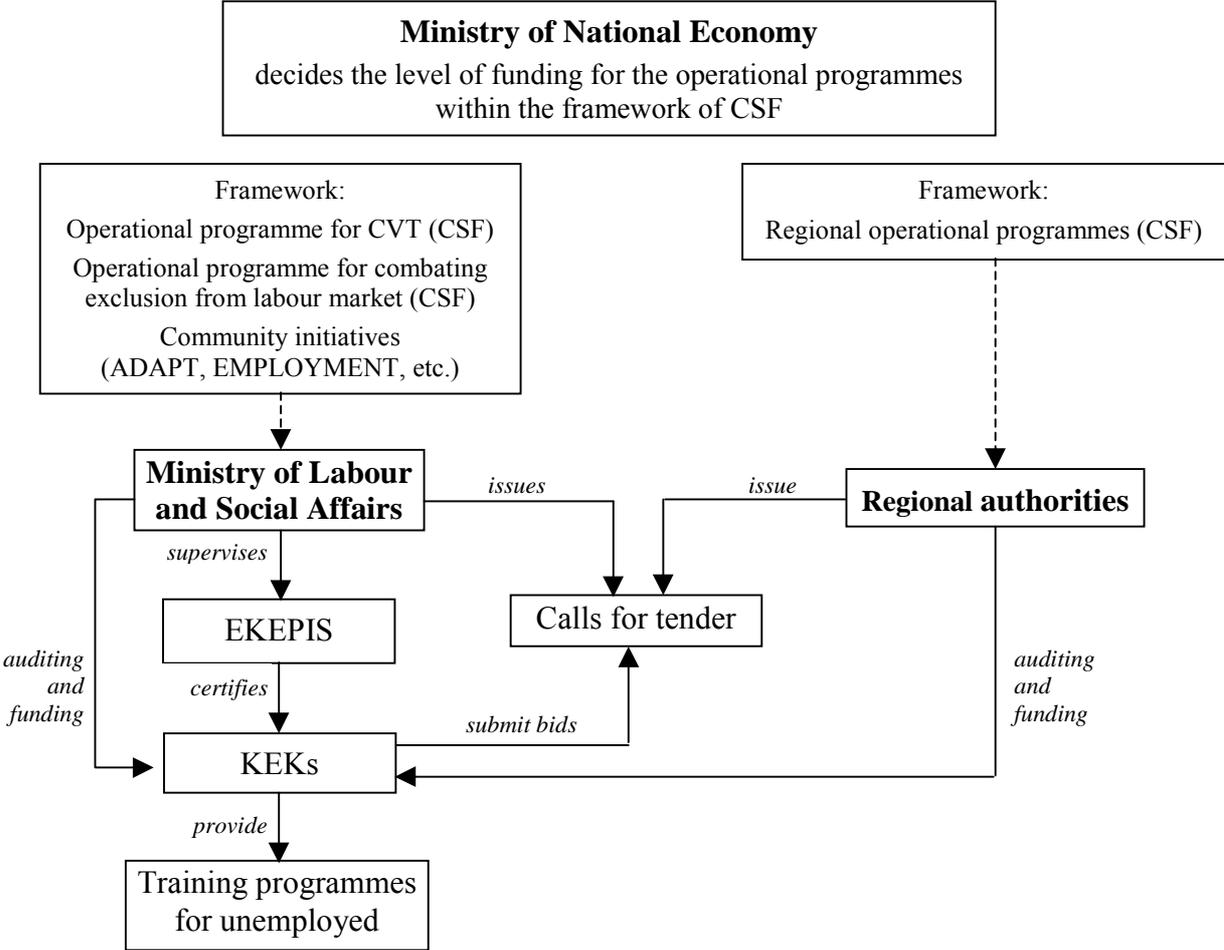
There are incentives for enterprises hiring unemployed people taking part in programmes combining theoretical and on-the-job training. Participating enterprises must hire at least one third of trainees for at least six months, with their salary subsidised.

4.3. Funding allocation mechanisms for training unemployed people

4.3.1. State and EU cofunding

Training for unemployed people, cofunded by State and EU in the framework of CSFs is carried out exclusively by KEKs. The funding procedure is the same as that of CVT (see subsection 3.3.1.2. for a detailed explanation of the procedure).

Figure 11 Public funding of training for unemployed people (CSF II)



4.3.2. LAEK

The LAEK fund receives contributions from both employers and employees and mainly covers training costs of enterprises. Since LAEK is the result of merging two funds, from which the second (EKLA) was set up to finance training for unemployed, the administrative committee of LAEK is responsible for allocating these resources. Because of the array of training programmes available for unemployed people through various OPs within CSF and the lack of an administrative framework, providing programmes for unemployed people through LAEK has been significantly low. In the five years of the fund’s operation, only a few social partners’ organisations have applied for funding to organise and carry out training programmes for unemployed people.

4.4. General conclusions

The rate of unemployment in Greece has remained above 10% during the past eight years, and youth and long-term unemployment account for more than 50% of all unemployed. Tackling unemployment is important and providing training programmes is a significant tool in this effort.

Training for unemployed people has been supported largely through successive CSFs, not only by funding training programmes, but also through creating systems and structures. The objective has been more efficient use of public funding and more effective integration of unemployed people into the labour market. The most notable of these structures were the National Certification Centre of CVT Structures (EKEPIS) and vocational training centres (KEKs), and the Special fund for unemployment (EKLA).

The annual submission of national action plans for employment to the European Commission outlines policy planning and developments. Policies also cover a wider group of people, for example, the OP combating exclusion from the labour market, which has been present in CSFs I, II and III.

5. The future of funding: trends and perspectives

5.1. Developing funding regulations: CSF III

Developing vocational education and training in Greece in the near future (2002-06) is auspicious for many reasons. Most relate to implementing CSF III, which is influenced by infrastructural needs of initial vocational education and training, and for a more efficient, globally competitive workforce. Estimates place CSF III funding increases of between 20% and 40% compared with CSF II, as shown for different training categories below.

5.1.1. Initial vocational training

CSF III continues to support general education and IVT in Greece through EPEAEK II (OP for education and initial vocational training). The OP comprises six axes with a total budget of EUR 2 487.60 million.

Table 24 Funding EPEAEK III

Axis	<i>(million EUR)</i>		
	Total budget	% of the total budget of the OP	% of ESF support within the OP
1. Promoting equal opportunity for labour market access	333.25	13.8	16.7
2. Promoting and improving education and initial vocational training	1 532.44	61.7	77.6
3. Developing and promoting entrepreneurship and adaptability of young people	19.85	0.8	1.0
4. Improving labour market access for women	69.47	2.8	3.5
5. Developing infrastructure for the implementation of the ESF support	509.92	20.5	0
6. Technical assistance	22.68	0.9	1.1
Total	2 487.60	100	100

Source: Ministry of Education and Religious Affairs, www.mnec.gr/ministry/kps/3kps/3kps.htm.

The total budget of the OP is funded by two European funds (ESF and ERDF) and the Greek State budget according to a ratio of 75:25% respectively. There are no private contributions. The main IVT activities are covered by Axis 2, almost two thirds of the total budget for the OP, while the second (Axis 5), supports developments in infrastructure for both general education and IVT with ERDF funding.

The six measures within Axis 2 give more detail of the objectives and budgets (all amounts in million EUR):

(a) upgrading the quality of education,	306.09
(b) curricula reform – expansion of tertiary education,	364.08
(c) initial vocational training,	554.12
(d) professional guidance for the labour market,	122.49
(e) lifelong learning,	78.90
(f) environment protection and education.	106.76

Funds are higher than for CSF II, allowing for more investment in VET infrastructure given recent institutional reforms. They also provide vocational options for those leaving secondary education who do not enter tertiary level education. This should reduce the future proportion of household funding to support IVT as public infrastructure improves and provides a wider range of training.

5.1.2. CVT and training for unemployed people

The OP employment and vocational training supports both CVT and training for unemployed people. The five basic priority axes of the OP follow the five policy fields supported by the ESF. The sixth axis concerns technical assistance. The heart of the priority axes is to improve human resource development for the labour market with the following objectives:

- (a) prevention of unemployment through individualised interventions;
- (b) promotion of equality of opportunity to access the labour market;
- (c) strengthen and upgrade the effectiveness and quality of labour market intervention;
- (d) promote entrepreneurship and workforce adaptability;
- (e) improve women's access and participation in the labour market.

The total budget for the OP is EUR 1 998.9 million. Public expenditure is EUR 1 888.9 million, and of this, EUR 13.33 million is cofinanced by the ERDF and relates to the first objective listed above. The remaining EUR 1 875.6 million is cofinanced by ESF and attracts EUR 110 million of private funds.

A description of each priority axis of OP follows.

Table 25 Funding OP employment and vocational training

(million EUR)

Axis	Total Budget	% of the total budget of the OP	Public funding of axis (%)
1. Development and promotion of active policies to fight and prevent unemployment, to avoid long-term unemployment and to facilitate the reintegration of long-term unemployed people.	895.4	47.4	100
2. Promotion of equality of opportunity to access the labour market, especially for those threatened by social exclusion.	307	16.3	100
3. Promotion and improvement of quality and accreditation.	53	2.8	100
4. Development and promotion of entrepreneurship and workforce adaptability.	510	23.0	85.3
5. Improving access for women and their participation in the labour market.	210	9.3	83.3
6. Technical assistance and implementation support.	23.49	1.2	100
Total		100	

Source: Ministry of National Economy, www.mnec.gr/ministry/kps/3kps/3kps.htm.

5.1.3. LAEK

An increase in percentage contributions is expected for the LAEK fund (until now the contribution is 0.45%). This presumption is based on the following points:

- increasing demand for more flexible CVT programmes within enterprises;
- small enterprises must be encouraged to take more advantage of LAEK resources for training activities;
- social partners have increased needs for training infrastructure.

While social partner organisations may resist an increased contribution, these demands on the fund make an increase probable.

5.2. Criticism, challenges and changes on VET funding

The major criticism of funding procedures relate mainly to CVT, since IVT is subject to regulations set by the Ministry of Education and Religious Affairs and is placed within the overall context of the educational system. For CVT, concerns focus on improving the implementation, coordination and coherence of both EU and national funding and payment mechanisms because of concerns over complex and long procedures. For example, reducing the time in paying for training programmes (in the past providers have had to self-finance programmes until receiving payment). Similar criticisms have been made for activities

financed by the LAEK fund, whereby payments are made once a year often leading to a long gap between implementation and funding.

Because of these criticisms, the new administrative structure for CSF III is more efficient and is expected to be less bureaucratic. Similar moves have been made for managing the LAEK fund.

Unifying the European labour market is a procedure which will take some years to become a reality for the whole active population of the EU. Some of the most important terms and prerequisites for this are:

- (a) coherence and transparency of educational and vocational training in all EU countries;
- (b) enough services on schooling and initial vocational training in all EU countries for all categories of the population;
- (c) certification of professional skills at European level following an acceptable system;
- (d) use of available financial resources in the most effective way, both at European and national levels.

In all these objectives, the Greek VET administrative and funding system is facing four major challenges:

- (a) ensuring success of the 1998 education reform to provide good quality and effective vocational education and initial vocational training;
- (b) creating a modern, comprehensive and effective system of vocational training and certification of professional skills, based on EKEPIS and the institutions which supply vocational training programmes (KEKs);
- (c) measuring effectiveness, with quantitative and qualitative results, of increased funding in all VET activities covered by CSF III (in comparison to those of CSF II);
- (d) incorporating new technologies in vocational training.

Taking each of these points in turn:

(a) ensuring success of the 1998 education reform to provide good quality and effective vocational education and initial vocational training

The 1998 reform divided the higher education population into two streams: one leading to tertiary education and the other to vocational education (technical vocational institutes – TEEs). There was scepticism and criticism of excluding a large percentage of the school population from tertiary education. While it is too early to conclude on the effects of the reform, seemingly the vocational education part of upper secondary level is running effectively and will soon produce its first graduates;

(b) creating a modern, comprehensive and effective system of vocational training and certification of professional skills

The objective of the National Certification Centre of CVT Structures (EKEPIS) is to set up a nationwide system for certifying CVT providers (KEKs), programmes and trainers. During its

first phase, about 300 KEKs with a capacity of 35 000 training places were certified. Criteria have become increasingly demanding but with increasing investment, staffing and experience, they have become a credible training supplier. Certifying trainers and programmes will follow.

The first round of calls for tender for CVT programmes under CSF III started with a national call in September 2001. Results provided financial means to implement programmes for unemployed people throughout Greece during 2002;

(c) measuring effectiveness, with quantitative and qualitative results, of increased funding in all VET activities covered by CSF III

As described earlier, the whole educational and vocational training system in Greece will be supported financially by CSF III. The proposed activities have been described in detail, quantitative goals and output indexes have been established and, in general, preparation is much better than for CSF II. The administrative structure and rules are more efficient and funding allocation, distribution and auditing is more flexible;

(d) incorporating new technologies in vocational training

Enterprises need to train their employees and update their skills more often. On the other hand, the more skilful and trained employees are, the more difficult for the enterprise to lose them for training periods in a traditional classroom away from the enterprise. Alternatives, such as computer-based training and e-learning (synchronous or asynchronous) can be more convenient, cost-effective, consistent and continual.

Many training providers (KEKs, IEKs and others) have been involved in projects to use these technologies. Some providers have produced training material in electronic form and others run, on a pilot basis, distance learning programmes on the Internet. This is likely to expand in future.

5.3. Conclusions

Vocational training in Greece has undergone significant reforms over recent years, both legal and administrative as well as funding. Successive CSFs have supported creating training for all parts of VET and providing training programmes more tailored to specific needs of the training and labour markets.

At the beginning of the 21st century, facing unification of the European labour market in a global economy, Greek administration and society should make the most efficient use of all available resources, including the current CSF, to meet successfully all the challenges of the new era.

List of abbreviations

CI	Community initiatives.
CSF	Community support framework.
CVT	Continuing vocational training.
EGSSE	National general collective employment agreement. Εθνική Γενική Συλλογική Σύμβαση Εργασίας (ΕΓΣΣΕ).
EIE	National Labour Institute. Εθνικό Ινστιτούτο Εργασίας.
EKDD	National Centre of Public Administration. Εθνικό Κέντρο Δημόσιας Διοίκησης (ΕΚΔΔ).
EKEPIS	National Certification Centre of CVT Structures. Εθνικό Κέντρο Πιστοποίησης (ΕΚΕΠΙΣ).
EKLA	Special fund for unemployment. Ειδικός Λογαριασμός για την Απασχόληση (ΕΚΛΑ).
ELKEPA	Greek productivity centre. Ελληνικό Κέντρο Παραγωγικότητας (ΕΛΚΕΠΑ).
ELPEKE	Special fund for vocational training and education programmes. Ειδικός Λογαριασμός για τα Προγράμματα Επαγγελματικής Κατάρτισης και Εκπαίδευσης (ΕΛΠΕΚΕ).
EMU	Economic and monetary union.
EPA	National Observatory on Employment. Εθνικό Παρατηρητήριο Απασχόλησης (ΕΠΑ).
EPEAEK	Operational programme for education and initial vocational training. Επιχειρησιακό Πρόγραμμα Εκπαίδευσης και Αρχικής Επαγγελματικής Κατάρτισης (ΕΠΕΑΕΚ).
EPL	Integrated 'lyceum'. Ενιαίο Πολυκλαδικό Λύκειο (ΕΠΛ).
ERDF	European Regional Development Fund. Ευρωπαϊκό Ταμείο Περιφερειακής Ανάπτυξης (ΕΤΠΑ).
ERM	Exchange rate mechanism.
ESEEK	National vocational education and training system. Εθνικό Σύστημα Επαγγελματικής Εκπαίδευσης και Κατάρτισης (ΕΣΕΕΚ).

ESF	European Social Fund. Ευρωπαϊκό Κοινωνικό Ταμείο (ΕΚΤ).
EU	European Union.
GDP	Gross domestic product.
GEL	General education 'lyceum'. Γενικό Λύκειο (ΓΕΛ).
GNP	Gross national product.
GSEE	General Confederation of Greek Workers. Γενική Συνομοσπονδία Εργατών Ελλάδος (ΓΣΕΕ).
IDE	Continuing education institute. Ινστιτούτο Διαρκούς Επιμόρφωσης (ΙΔΕ).
IEK	Vocational training institute. Ινστιτούτο Επαγγελματικής Κατάρτισης.
IKA	Social Security Foundation. Ίδρυμα Κοινωνικών Ασφαλίσεων.
IVT	Initial vocational training.
KEGE	Agricultural education centre Κέντρο Γεωργικής Εκπαίδευσης (ΚΕΓΕ).
KEK	Vocational training institute. Κέντρο Επαγγελματικής Κατάρτισης.
KES	Liberal studies centres. Κέντρο Ελευθέρων Σπουδών (ΚΕΣ).
LAEK	Fund for employment and vocational training. Λογαριασμός για την Απασχόληση και την Επαγγελματική Κατάρτιση (ΛΑΕΚ).
MC	Monitoring committee.
MOU	Management and organisation unit.
NSPA	National School of Public Administration.
OAED	Manpower employment organisation. Οργανισμός Απασχόλησης Εργατικού Δυναμικού (ΟΑΕΔ).
OEEK	Organisation for Vocational Education and Training. Οργανισμός Επαγγελματικής Εκπαίδευσης και Κατάρτισης.

OGA	Agricultural Insurance Organisation. Οργανισμός Γεωργικών Ασφαλίσεων (ΟΓΑ).
OP	Operational programme.
PEP	Regional operational programme. Περιφερειακό Επιχειρησιακό Πρόγραμμα (ΠΕΠ).
SEV	Association of Greek Industries. Σύνδεσμος Ελληνικών Βιομηχανιών (ΣΕΒ).
SM	Apprenticeship school. Σχολή Μαθητείας (ΣΜ).
SME	Small and medium-sized enterprises.
SP	Subprogramme.
TEE	Technical vocational institutes. Τεχνικό Επαγγελματικό Εκπαιδευτήριο.
TEI	Technological educational institutes. Τεχνολογικό Εκπαιδευτικό Ίδρυμα.
TEL	Technical vocational 'lyceum'. Τεχνικό Επαγγελματικό Λύκειο (ΤΕΛ).
TES	Technical vocational school. Τεχνικά Επαγγελματικά Σχολεία (ΤΕΣ).
UVT	Training for unemployed people.
VET	Vocational education and training.

Annex 1 Legal provisions

Law	Year	Source	Area	Summary
Act 309/76 and Act 576/77	1976 1977	Ministry of Education and Religious Affairs	IVT	Reorganised all three levels of educational system and introduced changes in the vocational training system. Extended attendance within compulsory schooling to nine years. On VET, the new structure aimed at assimilating lower secondary technical vocational education within general education encouraging students to enter upper secondary IVT.
Act 1346/83	1983	Ministry of Labour and Social Affairs	IVT	Established apprenticeship schools administered by the manpower employment organisation (OAED).
Act 1566/85	1985	Ministry of Education and Religious Affairs	IVT	Reorganised upper secondary education and created several new training institutions. Established the TEL and EPL, accepted the OAED apprenticeship schools at upper secondary level and set up a common framework of operation for all specific vocational schools supervised by various ministries. Placed the GEL and TEL under the jurisdiction of integrated secondary education directorates at prefectures.
Act 2009/92	1992	Ministry of Labour and Social Affairs	IVT	Established the national vocational education and training system (ESEEK), which organises, develops and provides IVT. To implement this national training plan, the act set up the Organisation for Vocational Education and Training (OEEK). It also established a new institution, the vocational training institute (IEK) at post-upper secondary level.

Law	Year	Source	Area	Summary
Act 2224/94	1994	Ministry of Labour and Social Affairs	CVT UVT	Established the National Certification Centre of CVT Structures (EKEPIS) and the framework for certifying and running vocational training centers (KEKs). It also established the National Labour Institutes (EIE) and the National Observatory on Employment (EPA).
Act 2434/96	1996	Ministry of Labour and Social Affairs	CVT UVT	Established the fund for employment and vocational training (LAEK) by merging two former funds: ELPEKE and EKLA. The administrative body, funding procedures and operating regulations are described in the act.
Act 2520/97	1997	Ministry of Agriculture	CVT	Established the Agricultural Vocational Education, Training and Employment Organisation. Its articles describe the objectives, administrative bodies, regulations and resources of the organisation.
Act 2525/97	1997	Ministry of Education and Religious Affairs	IVT	Introduced a major reform in the educational system. The general 'lyceum' (GEL) and parts of integrated 'lyceum' (EPL) were merged to form unified 'lyceum' (EL). The technical 'lyceum' (TEL), parts of integrated 'lyceum' (EPL) and technical vocational schools (TES) were merged to form technical vocational institutes (TEE). In addition, studies in technical vocational institutes (TEE) and apprenticeship schools (SM) were divided into two levels (upper secondary and intermediate).

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Cedefop (European Centre for the Development of Vocational Training)

The financing of vocational education and training in Greece: Financing portrait

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This report is the Greek contribution to the effort of Cedefop to codify the procedures and mechanisms of financing vocational education and training (VET) in the 15 Member States of the EU. The three distinct forms of VET (initial, continuing vocational training and training for unemployed people), general administration and funding are reviewed.

The main characteristics of VET funding in Greece include: all forms receive significant levels of funding through the Community support frameworks (CSFs) with joint EU and State funding; the public/private mix of training providers can all be supported through public funding; developing a levy scheme funded by contributions from employers and employees.

The final part of the report outlines some important issues for future funding. These include modernising the training system and making activities funded through the CSFs effective.

The financing of vocational education and training in Greece

Financing portrait



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