related policies

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Greece: Redundant employees entitlement to public support

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Phase:

Type: Redundant employees entitlement to public support

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Native name: Νόμος 2956/2001 Οργανισμός Απασχόλησης Εργατικού Δυναμικού

English name: Law 2956/2001 on labour force employment organisation

Article

Chapter A, Articles 1-7

Description

In addition to granting benefits (unemployment, maternity, medical care and other aid), the labour force employment organisation (OAED) also aims to strengthen the provision of employment services to the unemployed and to develop policies and measures through targeted interventions to tackle unemployment. In particular:

- it implements employment programmes for the benefit of both businesses/employers and the employed/unemployed, such as business grant programmes for the employment and/or training of employees, employer's support programmes with subsidised social security contributions, subsidy programmes for young self-employed people, and business subsidy programmes for the hiring of young employees or those close to retirement age, among others;
- a main priority area for the organisation is to provide counselling services which constitute dynamic interventions to activate and
 mobilise the unemployed and to facilitate their entry into the labour market. The counselling services provided by the OAED consist of
 counselling and career guidance namely, career management, job seeking counselling and entrepreneurial counselling; and
- other interventions, including direct hiring of staff for public works by municipalities, associations and public sector legal entities.

The above-mentioned measures are open to all unemployed people, not only to those affected by restructuring. In general, there are no restrictions, but some specific actions may target specific industries or categories of unemployed, such as people younger than 25 or older than 50, or persons with disabilities, and so on.

Comments

The purpose of the OAED is to implement government policy on a number of issues, namely fostering employment/combating unemployment; strengthening and facilitating the integration of the country's human capital into the labour market; providing unemployment benefits; promoting vocational education and training and their connection with employment; supporting the intellectual and social development of the workforce and their families; providing housing benefits; and supporting their collective organisation and action, with a view to improving their living standards.

The unemployment allowance currently provided by the OAED is considered particularly low in relation to the needs that exist in the country due to the prolonged economic crisis. The monthly benefit paid in case of redundancy in 2019 ranges between \leq 399,25, for those cases where the unemployed person has no dependents, and \leq 640, for cases where the unemployed person has six or more dependents. It is provided for a maximum period of approximately one year, after which it stops even if the unemployed person has not found a new job.

On the other hand, there is a great effort to support active employment policies. Nonetheless, due to the economic crisis, the high unemployment (especially long-term) and the structural problems in the labour market, these programmes (although necessary) are currently not able to provide an effective long-term response to the problems of the unemployed, given that the labour demand is low.

It is a fact that because unemployment has considerably increased during the prolonged economic crisis in Greece, the OAED has been sorely tested as the social demand for benefits and services has increased rapidly. In this context, a plan to restructure the OAED was implemented in 2014 under the supervision of the European Commission, with the aim of ensuring the provision of more and better services to the unemployed, a better planning and implementation of employment programmes, an improved system of apprenticeship in the development of partnerships, and cooperation with public, social and private actors. However, due to the austerity and the government deficit, no increase in benefits (in terms of unemployment allowances) to the unemployed is expected although, in reality, the need of the unemployed for cash benefits is currently very high.

Cost covered by Companies Employee Employer National government Involved actors other than national government Public employment service **Thresholds** No, applicable in all circumstances Sources Manpower Employment Organisation (OAED) **Law 2956/2001** Useful? Interesting? Tell us what you think. • Eurofound welcomes feedback and updates on this regulation Your name * E-mail * More information? Homepage Subject Comment * Preview Save European Monitoring Centre on Change - EMCC **About EMCC European Restructuring Monitor**

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