

3. Human resources and social policies

KEPE, *Greek Economic Outlook*, issue 37, 2018, pp. 21-29

3.1. Recent developments in key labour market variables

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3.1.1. Introduction

This issue of the *Greek Economic Outlook* discusses labour market developments during the first semester of 2018 and the weak recovery of employment observed. The increase in the number of the employed continued in the second quarter of 2018, although at a different pace across population groups. Moreover, specific industries proved more effective in creating jobs, while new jobs are unequally distributed across regions. The characteristics of the new jobs do not comply with the model of full-time open-ended job contracts, and that is disturbing. Unemployment, on the other hand, continued to decline, but the size of the improvement, once again, depends on personal attributes. Last but not least, there are several labour

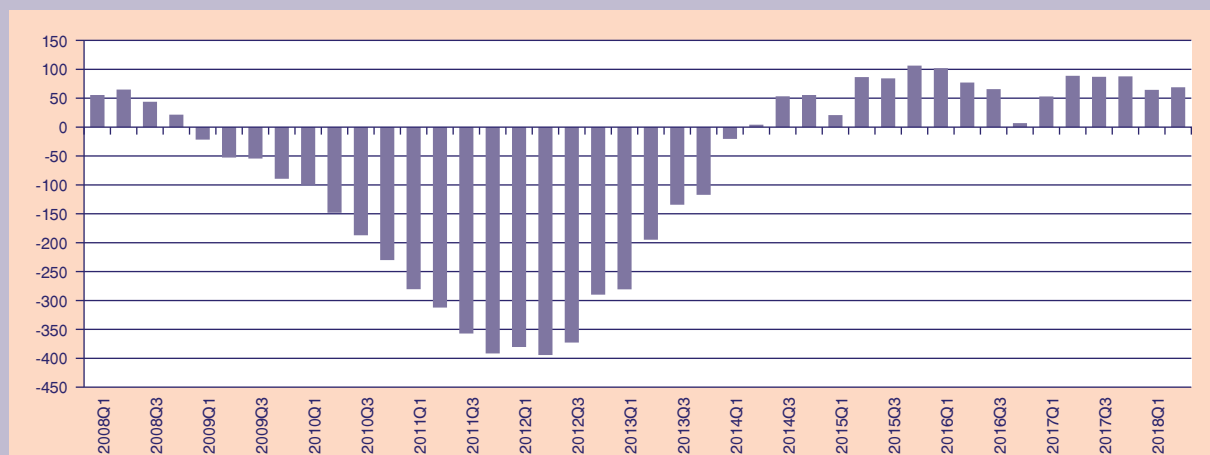
market institutional reforms introduced. Reforms are expected to continue, since the country exited the financial support programmes, and will probably have a positive impact on the wages of the employed, so long as they are implemented with caution. However, it is difficult to foresee their impact on unemployment. The discussion of the labour market relies on data from the Labour Force Survey by ELSTAT and from the reports of the information system ERGANI.

3.1.2. Employment

In the second quarter of 2018 approximately 137 thousand new jobs were created. Admittedly, a large share of those jobs are seasonal, e.g., due to the increase in tourism flows. Nevertheless, the increase is bigger than the one reported for 2017Q2, which suggests that labour market conditions are systematically improving. On the contrary, the y-o-y¹ increase, which is free of seasonal variation, but not of fluctuations due to the cyclicity of the business cycle, is smaller in 2018 compared to earlier years. For instance, the number of the employed increased by approximately 69 thousand in 2018Q2, 88.8 thousand in 2017Q2, 77.1 thousand in 2016Q2 and

GRAPH 3.1.1

Annual (y-o-y) change in the number of the employed (in thousands)



Source: Labour Force Survey, ELSTAT.

1. A y-o-y change represents the change when compared to last year's same quarter.

86.4 thousand in 2015Q2. Although the number of the employed increased for the sixteenth consecutive quarter on a y-o-y basis, the slowdown of the process of new jobs creation should cause concern.

The discussion about employment leads to two interesting questions: a. what are the population groups that seem to benefit more from the slow recovery?, and b. what are the types of employment that increase faster than the rest? Answering these questions will shed light on the type of new jobs created and allow directing active labour market policies towards specific population groups. The discussion that follows will rely mostly on annual changes, in order to avoid the seasonal fluctuation of economic activity which may be coincidental.

New jobs by population groups, industry and region

Since the beginning of the recovery in 2014 (2014Q2-2018Q2), approximately 321 thousand jobs have been created. Of those, almost 57% have been occupied by men (Table 3.1.1). Over the past year men dominated new jobs even more. As a result, approximately 18% of the new jobs were occupied by women. Given the lower female employment rate (34.1% vs. 50.9% in 2018Q2), this gender hiring gap should be addressed by policymakers. Otherwise, it may deprive half the population from potential employment opportunities and in the long run make retirement more difficult.

Decomposing age group movements is a more complicated task, because, first, there are more groups and, second, they are more heterogeneous. For instance, youth aged 15-24 constitute the smallest age group of the labour force for the simple reason that a large part of its members are still in school: 6.3% in 2014Q2 and 5.2% in 2018Q2. Therefore, the fact that 1.4% of new jobs are occupied by members of this age group comes as no surprise. Generally speaking, the drop in the labour force share of individuals up to 44 years old and the rise in individuals over 45 is a discouraging phenomenon, although probably expected given the aging of the population. When comparing the shares of different age groups, it turns out that the share of those up to 44 years old has decreased; the share of those aged 45-64 has increased, by approximately 3 percentage points, while the share of those over 65 has marginally decreased. Therefore, it comes as no surprise that the majority of new jobs created during the past four years were mostly occupied by individuals aged 45-64 (74.1%), despite the fact that they constituted 36.7% of the labour force in 2014Q2. One plausible explanation is that the skills the labour market is looking for are more often found in older individuals and, thus, the new jobs created have a compatible content. Note also that this specific composition of skills could encourage brain drain of mostly high-skilled young people, a phenomenon which is often discussed publicly.²

TABLE 3.1.1 Changes in the number of the employed, 2014Q2-2018Q2

	2014Q2	2018Q2	2014Q2-2018Q2	% of total employed
Total	3,539.1	3,860.4	321.3	-
Men	2,062.3	2,244.6	182.3	56.7
Women	1,476.8	1,615.8	139.0	43.3
15-24	146.9	151.5	4.6	1.4
25-29	328.3	347.6	19.3	6.0
30-44	1,590.9	1,630.4	39.5	12.3
45-64	1,416.3	1,654.4	238.1	74.1
65+	56.8	76.5	19.7	6.1

Source: Labour Force Survey, ELSTAT.

2. Labrianidis, L. and Pratsinakis, M. (2015), Outward migration from Greece during the crisis. Final Report. LSE. Available at: <http://www.lse.ac.uk/europeanInstitute/research/hellenicObservatory/CMS%20pdf/Research/NBG_2014_-_Research_Call/LOIS%20LAMBRIANIDIS_Outward%20migration%20from%20Greece%20during%20the%20crisis%20.pdf>.

Graduates from the bottom levels of education face more serious problems in finding a job compared to graduates from the top levels of education. Since 2014 the number of employed lower secondary graduates and primary or less education graduates has decreased by approximately 102 thousand, of which only two thousand were from the first group. Given that the number of the employed graduates from the remaining education groups increased, that decrease is something that should be seriously addressed. Moreover, even during the past year, the number of employed graduates from the bottom two education levels decreased, as more than 20 thousand jobs were lost. Although at first sight these are disturbing signs, one should bear in mind that these graduates are generally much older than average, and they have a much higher retirement rate. For instance, the number of labour force participants who have completed lower secondary and primary or less education decreased by 25% in the last four years and 3% over the past year. Both decreases are bigger than the respective decreases in the number of the employed (20% and 1%).

Regarding individuals who graduated from the top levels of education, the number of PhD and/or Master's holders has increased the most, irrespective of time; approximately 40% in the past four years and 17% over the past year. Interestingly enough, recently, i.e., 2018Q1-2018Q2, it is the same group of graduates that exhibits the biggest increase (5.5%). However, it is not clear whether this increase fulfils labour market needs or is fuelled by over-education;³ this question cannot be answered in this short article, but it is certainly a question worth exploring and hard to discard. Moreover, it is worth noting that the number of labour force participants with this particular level of educational attainment exhibited a similar increase; such an increase could be justified on the grounds of attempts to improve employment prospects by acquiring more education.⁴ Another group that exhibits a strong increase is those holding a technical professional education degree; in four years' time their number has grown by 22% and over the past year by 6.5%, following increases recorded in PhD and/or Master's holders. Verifying previous issues of the *Greek Economic Outlook*, university graduates do worse, even compared to upper secondary education graduates.

Over the past four years, citizenship is another attribute that has proven crucial in getting a job, since the

recovery that started in 2014 seems to involve only Greek citizens. In particular, some 320 thousand jobs were created between 2014b and 2018b, which is the sum of jobs occupied by Greek and non-Greek citizens. To be more precise, approximately 385 thousand new jobs were occupied by Greeks, while at the same time some 65 thousand jobs occupied by non-Greeks were lost. The composition of changes is similar in the past year when 53 thousand new jobs were occupied by Greeks as opposed to 16 thousand jobs that were lost by non-Greeks. Only during the second quarter of the year were new jobs occupied by both Greeks and non-Greeks, but this is probably easily explained by the seasonal expansion of the tourist industry which typically employs a lot of non-Greeks. Therefore, all the signs suggest that the recovery involves mostly Greeks, and this has probably a lot to do with the types of new jobs created and the industries involved. It is also highly likely that the difficulties non-Greeks are facing in finding a job have a lot to do with the reduction in the population of non-Greeks reported in LFS. For instance, according to LFS, since 2014Q2, the number of non-Greeks dropped more than 25%, from 58 thousand to approximately 405 thousand in 2018Q2.

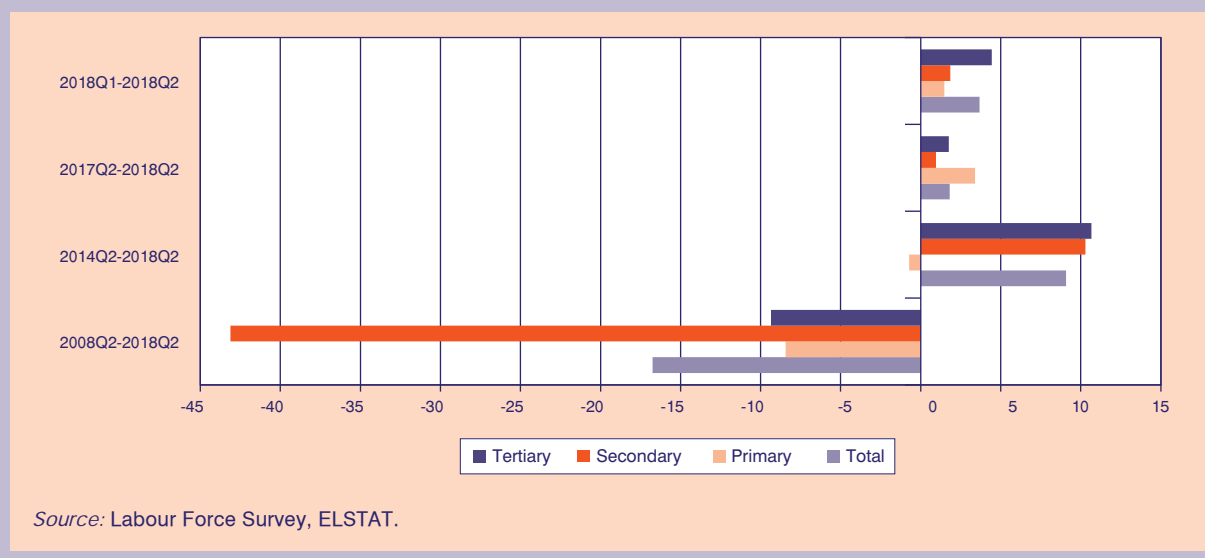
Services seem to be the leading sector in job creation over the past four years where more than 270 thousand jobs were created, i.e., almost 10.7% more jobs (Graph 3.1.2). Tourism is responsible for the creation of one-fourth (approximately 81 thousand) of new jobs in the tertiary sector, and trade is responsible for another fifth (approximately 66 thousand). The secondary sector has contributed some 55 thousand new jobs (10.3% more jobs). Four out of ten new jobs were created in Manufacturing, i.e., some 13 thousand. Over the past year the same sectors and industries stand out. The only difference is that most industries have a positive balance of jobs. Surprisingly, there are a lot of new jobs in the primary sector, in which employment has generally been declining over time. A plausible explanation could be that new products and fields of business, such as bio products, have something to do with it, but no solid answer can be given based on available data. On the contrary, the number of available jobs continues to decline in some industries, such as Transport and storage (5.7 thousand), Financial and insurance activities (8.4 thousand) and Households as employers (6.8 thousand). On the oth-

3. This phenomenon refers to employed individuals who embody more skills than those required by the job they hold.

4. Some people choose more education in order to improve their employment prospects; either because they assume that there is a demand for better skilled persons in the market or because they are trying to stand out, i.e., to signal the skills they embody to potential employers. In any case the result is the same, i.e., better employment prospects.

GRAPH 3.1.2

Percentage change in the number of employed by sector of economic activity (in %)



er hand, other industries exhibited a strong increase in the number of jobs, such as Human health and social security (19.5 thousand) and Agriculture, forestry and fishery (15.5 thousand), i.e., the primary sector.

The number of the employed increased faster in regions that rely heavily on tourism, as the high seasonal volatility suggests. In particular, Crete, the South Aegean Islands and the Ionian Islands exhibited an annual increase in the number of the employed ranging from 4% to 5.5%. At the bottom of the ranking laid Epirus (4%) which is much less dependent on tourist flows compared to the previous three regions. Moreover, those three regions have typically higher employment rates, close to 50%. The seasonal volatility of employment seems unreal in the Ionian Islands, where it reached 30%, followed by the South Aegean, with an increase of approximately 19%, and Crete, with an increase in the number of the employed by almost 14%. Since the beginning of the employment recovery in 2014, over half of the regions exhibit a two-digit increase in the number of the employed. Surprisingly enough, Central Macedonia (15.3%) is amongst the regions with the strongest increase, along with Crete (17.7%) and the Ionian Islands (15.1%).

The characteristics of the new jobs

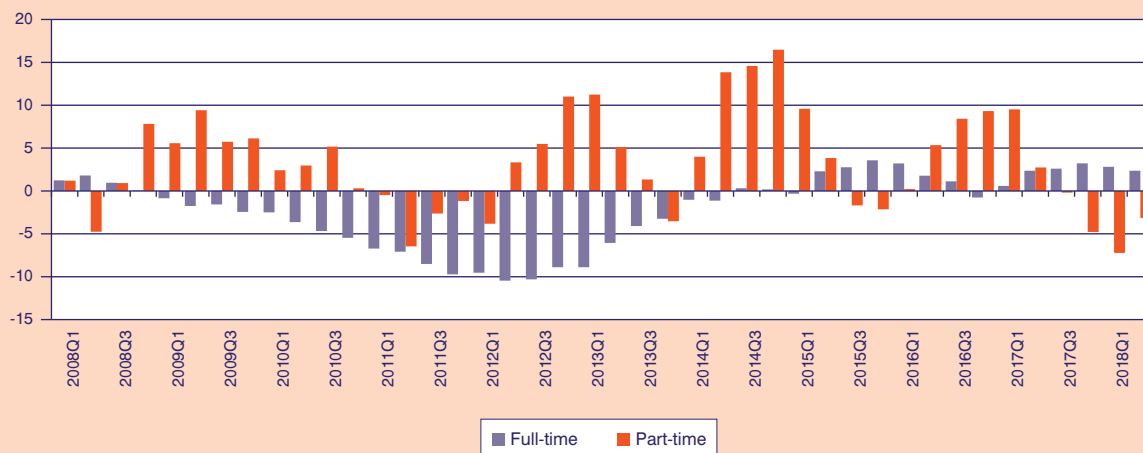
It has been clearly stated many times in previous issues of the *Greek Economic Outlook* that the new jobs created differ substantially from the ideal of full-time open-ended contract jobs that dominated in the past; the number of flexible types of employment has expanded considerably during the depression. To analyse

the current situation, data from the LFS and ELSTAT, as well as additional data from the information system ERGANI, are used.

It turns out that 90.6% of jobs are full-time jobs in the second quarter of 2018. On a y-o-y basis, the number of part-time jobs decreased slightly as a share of total jobs, since they decreased faster than full-time jobs (3.4% vs. 2.4%). Despite the fact that the seasonal increase in the number of the employed (2018Q1-2018Q2) involved part-time jobs also, the latter fell considerably short compared to the full-time job increase (1.4% vs. 3.8%). As shown in Graph 3.1.3, the annual decrease in the number of part-time jobs, contrary to the increase in the total number of jobs, can be traced to the last two quarters of 2015 and the first two quarters of 2018. Thus, it would come as no surprise if the trend was reversed soon, similar to what happened in 2015; nonetheless, the data seem to justify some optimism. On the other hand, such optimism seems premature if one considers that the share of those working part-time because they were unable to get a full-time job has increased. That share of part-time employed was 68.2% in 2018Q2 compared to 67.2% in 2017Q2 and 65.7% in 2014Q2.

According to the reports published by ERGANI, in the first semester of 2018 some 1,359,805 individuals were hired. Of those, part-time and work-in-shift job contracts accounted for 44% up to 56%. With the exception of April, in the rest of the semester full-time job contracts barely reached 50% of the total. It seems, then, that in the first semester of the year there has been a gradual de-escalation of flexible job contracts and a small increase in full-time job hires

GRAPH 3.1.3
Annual percentage change in full-time and part-time jobs



Source: Labour Force Survey, ELSTAT.

compared to previous years. Nevertheless, during the same months 22,757 full-time job contracts were converted to flexible job contracts (approximately 64% to part-time, 24% to work-in-shifts and 12% to work-in-shifts without the employee's consent). Compared to the first semester of 2017, the number of conversions decreased following successive increases in the past years. Moreover, the share of contracts converted to part-time jobs increased faster, while conversions to work-in-shifts without the employee's consent decreased. Although it is too soon to draw solid conclusions, the signs suggest that the situation is slowly changing.

Another point that should be critically assessed is the number of the under-employed. According to ELSTAT and the LFS, in the past four years the increase in the number of the employed was accompanied by an increase in the number of the under-employed (including those employed part-time who would like to work more hours). That increase reached 17 thousand in period 2014Q2-2018Q2, and it involved mostly women (almost 82%). Moreover, under-employment is quite common amongst individuals aged 25-29 and 45-64. Interestingly, over the past year a strong decrease in the number of the under-employed has been recorded (almost 11 thousand individuals), which involves mostly women (66%), who suffer more anyway, and individuals aged 45-64. The seasonal volatility of employment (2018Q1-25018Q2) seems to favour under-employment, probably primarily due to the types of jobs created, and individuals aged 25-44, while a considerable reduction in the number of the under-employed is reported for individuals aged 45-64.

3.1.3. Unemployment

Following the increase in employment, the unemployment rate decreased in the second quarter of 2018. In particular, it dropped by two percentage points both on a y-o-y basis and on a quarterly basis to reach only 19%. Women continue to face a bigger unemployment rate than men (23.7% vs. 15.2%), but what is bothersome is the widening of the gender unemployment gap to 8.5 percentage points. Note that this is one of the widest gaps since the beginning of the depression. A plausible explanation is that the crisis forced unskilled women to enter the labour force, in order to support household income, but with much fewer chances to get a job. Nevertheless, as a share of the labour force, women still comprise approximately 44% of the total. Another explanation is that the new jobs created involve industries and occupations typically favouring men. This is an explanation more difficult to reject without the use of a richer dataset able to reveal the gender composition of the employed in various industries and how it changed.

The unemployment rate for youth aged 15-24 also dropped to 38.8%, which is five percentage points lower than 2017 and 5.6 percentage points lower compared to the first quarter of 2018. The latter is due to seasonal volatility which seems to favour youth, but the former is due to improved economic conditions, either real or perceived. The de-escalation due to improved economic conditions is faster for youth as shown by the narrowing of the unemployment gap between them and individuals aged over 25 to 21 percentage points (previously 24). The improvement of the youth

standing over time in terms of unemployment prospects is partly reflected by the decrease in the share of the young unemployed (10.6% in 2018Q2) compared to both 2014Q2 (12.4%) and 2017Q2 (11.6%).

The higher the education level attained, the lower the unemployment rate. In the second quarter of 2018 that had not changed. Holders of PhD and/or Master's degrees faced an unemployment rate of 9.4%. For university graduates the respective rate was 14.1% and for upper technical vocational education graduates the rate was 19.8%, which is close to upper secondary education graduates. Nevertheless, over the past four years the unemployment rate dropped faster for lower secondary education graduates (10.3 percentage points), followed by upper secondary education graduates and upper technical vocational education graduates (7.7 percentage points). Over the past year, the situation of the latter group has improved faster than the rest of the groups (2.5 percentage points). On the other hand, seasonal volatility favours mostly the same education groups who perform better over time.

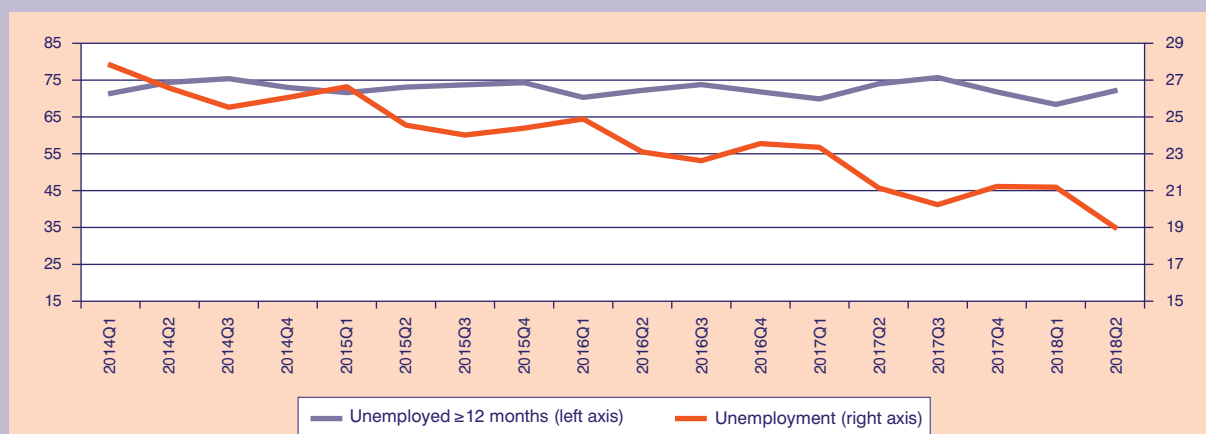
Citizenship proves very important in shaping unemployment prospects. While at the beginning of the economic downturn non-Greeks had better employment prospects than Greeks and faced a lower unemployment rate by approximately one percentage point, at the peak of the crisis in 2014Q2, the unemployment rate for non-Greeks was five percentage points higher than that for Greeks (30.3% vs. 25.1%). In the second quarter of 2018, despite the fact that the unemployment rate de-

creased for both groups, it did so faster for the Greeks, so that the unemployment gap between the two groups widened by approximately seven percentage points (18.6% for Greeks vs. 25.4% for non-Greeks).

Employment prospects differ across the country as is manifested by the fact that in the second quarter of 2018 the unemployment rate ranged from 11.5% in Crete to 27.1% in West Macedonia. The unemployment rate in Attica was close to the country average, while in Central Macedonia (including Thessaloniki) it was two percentage points lower than the national mean. Over the past year, the strongest drop was reported in East Macedonia & Thrace and Epirus (4.3 percentage points). Crete followed closely (4 percentage points) and so did West Greece (3.1 percentage points). Crete seems to do quite well considering that the unemployment rate dropped by approximately 11 percentage points over the past four years. Seasonality is more pronounced in the Ionian Islands, the South Aegean islands and Crete due to tourist flows; in those regions the unemployment rate dropped in the second quarter of the year by 12.7, 9.6 and 8.4 percentage points, respectively.⁵ Given that Crete, and the Ionian Islands to a smaller extent, seem to be better equipped to manage seasonal unemployment volatility, it would be interesting to explore the channels through which seasonal volatility spreads over the local economy.

Long-term unemployment is often at the centre of public discourse and, given its repercussions, it should be one of the policymakers' main concerns. By the term

GRAPH 3.1.4
Rate of unemployment and share of the long-term unemployed



Source: Labour Force Survey, ELSTAT.

5. Interestingly enough, these regions exhibited a stark increase of the labour force, which suggests that many people drop out during the winter and get back into the labour force when the tourist season begins. That is why the unemployment rates fluctuate so dramatically.

'repercussions' one should think of cyclical unemployment turning to structural, causing the depreciation of knowledge and skills of the labour force and, consequently, demanding far more intensive support for the unemployed to get a job (Graph 3.1.4 above). Despite the drop in the unemployment rate and the creation of new jobs over the past four years, three out of ten unemployed individuals are still looking for a job for more than twelve months. Although the number of the long-term unemployed dropped relatively faster compared to that of the overall unemployed, i.e., 31.4% vs. 29.2%, the pace of the decrease is quite slow, and there should be efforts to increase it.

3.1.4. Institutional changes

During the economic downturn and under pressure by the Memorandums of Cooperation between the Greek state and the institutions (then Troika, i.e., the European Committee, the European Central Bank and the International Monetary Fund), there was a series of important institutional reforms in the labour market and labour relations aiming at boosting employment and competitiveness, as well as allowing firms to survive. Nevertheless, these reforms worsened the bargaining power of labour and, often, dragged working conditions with them.⁶

In July 2018, the parliament passed Law 4554/2018 which introduced changes to fines imposed on employers and firms employing undeclared workers (article 1). In particular, the fine did not change (€10,500) for the first occurrence, but it doubled for the next occurrence and tripled for the following occurrences. In case of a violation, the employer is forced to pay social security contributions for three months corresponding to the minimum wage or daily rate, unless he/she can prove that employment was shorter than that. The important twist, though, is that the employer is given the right to hire the undeclared individual under a full-time employee job contract within ten days of the day of the audit; that way he/she is entitled to a fine reduction. The fine will become €7,000 in case of a three-month employee job contract, €5,000 in case of a six-month employee job contract or €3,000 in case of an annual employee job contract, without laying off any other personnel during that time. The justified aim is to reduce the firm's/employer's cost from complying with the law⁷

(although it is still higher than employing an undeclared worker) and at the same time to secure the employee's interests, who will be legally employed henceforth.

Another important provision of the law was the responsibility of the assigner, contractor or subcontractor (article 9) according to which "*Any physical or legal entity that assigns, as part of its business activity, the execution of a part of a project or a whole project (the assigner) to another physical or legal entity (contractor) is solely and mutually responsible with the contractor towards the employees of the latter regarding wage claims, social security contributions and any pending layoff compensations.*" The effort of the legislator to improve the protection of the employed by extending responsibility to all involved parties is obvious and welcome. Nevertheless, a few questions come up regarding the possibility of passing responsibility through to the assigner and its consequences, despite the provision for safety valves (article 9, §5). Moreover, the fact that the provision does not apply to public legal entities (NPID or NPDD) seems odd.

In August 2018, with the completion of the third programme of financial support, an effort began to counteract the negative impacts on wages that came about by labour market reforms previously implemented, as the government seems willing to utilise any space of economic policy available. Nevertheless, it should be clear that, within the modern globalised financial environment, national economic policies are constantly evaluated by world markets, which determine the cost and extent of financing. Given that Greece continues to run budget deficits, although there has been a primary budget surplus over the past few years, and, therefore, needs to borrow from world markets, it should adequately comply with its commitments. Otherwise, the cost of borrowing will increase, and that will have adverse consequences on debt sustainability and economic growth prospects.

Within the above described framework, the government expanded four sector-specific Collective Agreements in September. In particular, following the fulfilment of the criterion of adequate coverage (i.e., 51% of the employed in the sector need to be covered by the collective agreement), the government extended the effectiveness of collective agreements to all firms in the banking sector, maritime agencies and businesses,

6. The reader can look for the description of the reforms in previous issues of the *Greek Economic Outlook* and in particular in issues 13, 14, 18 and 20. Moreover, an interesting review of the changes in working relations can be found at Kouzis, G. (2017), The crisis and the memorandums of understanding are crushing labour, *Social Policy*, 6, 7-20. (in Greek)

7. In the *Greek Economic Outlook*, issue 25, and in the article regarding undeclared work, the author commented on the size of the fine and its possibly devastating effects on small firms.

travel and tourist offices and agency firms-members of the International Maritime Union. In total, it is estimated that the decision involves some 75 thousand employed.⁸ Moreover, in the middle of September the Minister of Labour, Social Security and Social Solidarity undersigned the extension of the collective agreement for employed individuals in hotels, who account for approximately 114 thousand persons.⁹

Nevertheless, it should be noted that there are specific rules in place, in order to extend the effectiveness of the collective agreement to all firms in the sector. Otherwise, the process could lead to failure and cause a confrontation between the employers and the employed, which is highly undesirable at the moment. Note, for instance, that in order to assess whether a collective agreement applies to 51% of the industry's employed, it should first be registered with the Ministry of Labour, Social Security and Social Solidarity. Then, the High Council for Labour should call upon the employers' association that signed the agreement to submit to the Department of Special SEPE Inspectors the registry of its members for whom the agreement is binding, in order to verify through ERGANI that indeed 51% of the employed in the industry are covered by it. That means that in case the employers' association does not submit its members' registry, the procedure cannot be completed and the expansion of the collective agreement is impossible.¹⁰

Under the circumstances, it would probably be wise to have some kind of exception, at least temporarily, for firms that face acute survival issues. The aim of any reform should be to improve working conditions and increase employment at the same time. This two-fold goal demands careful handling, in order to avoid an adjustment of working hours, an increase in undeclared work, an expansion of employment in firms of temporary hired work (whose employees are not covered by any collective agreement), or even the shutting down of firms; these would have detrimental effects on the desirable increase in employment and the quality of new jobs. In this respect, perhaps it would be preferable to set up a mechanism similar to the one for the revision of the minimum wage, which could quantify the expected sector-specific and economy-wide impacts on employment and compet-

itiveness. Moreover, there should also be some consideration for those employed by the so-called professional employer organisations, i.e., employees hired by a firm, but offering their services to another usually on a temporary contract.

Last but not least, it seems that the government plans to initiate the process for the revision of the minimum wage with the participation of social partners.¹¹ Although the result of the consultation process cannot be *a priori* determined, the government wishes to increase the minimum wage gradually, starting January 2019, and abolish the sub-minimum wage for youth below 25 years of age. To compensate for the loss of young candidates' attractiveness and avoid their substitution by older individuals, the government is considering decreasing social security contributions for this particular group of employees. It should be noted that the impact of a change in the minimum wage on employment has been thoroughly discussed and studied worldwide, but no clear answer has been given for the time being.

3.1.5. Conclusions

In the second quarter of 2018 approximately 137 thousand new jobs were created. That means that the number of the employed in the Greek economy increased for the sixteenth consecutive quarter on an annual basis. The widening of the employment gap between men and women is a legitimate concern. Age matters when it comes to employment prospects, since the share of the employed up to 44 years of age decreased, while the share of those aged 45-64 increased. With respect to educational attainment, the biggest increase was reported for PhD and/or Master's degree holders on an annual and a quarterly basis, followed by upper technical vocational education. Moreover, the recovery of the number of the employed involves primarily Greek citizens. The greater difficulty in getting a job for non-Greeks is probably causing them to leave the country, judging by the decrease in their respective population reported in the LFS. The tertiary sector of services dominates the creation of new jobs. Tourism and Trade stand out. Not surprisingly, the geographic distribution of new jobs over the past year was in favour of regions

8. See <<https://www.ypakp.gr/uploads/docs/11555.pdf>>.

9. See <<https://www.ypakp.gr/uploads/docs/11584.pdf>>.

10. <<http://www.sev.org.gr/vivliothiki-tekmiriosi/miniaio-deltio-gia-to-rythmistiko-perivallon/i-epektasi-kladikon-sylogikon-symvaseon-ergasias/>>.

11. The interested reader can find a presentation of the mechanism in Law 4047/2012, which was discussed in the *Greek Economic Outlook*, issue 20.

which depend strongly on tourism, such as Crete, the South Aegean islands and the Ionian Islands.

The quality of new jobs improved marginally. There was a smaller share of flexible jobs created on an annual basis, but those who treat part-time employment as a solution forced by the lack of full-time jobs continue to account for a large share of the part-time employed. Available data seem to suggest that new full-time contracts, although still not as many as preferred, increased, while the conversions of employment contracts to flexible forms of employment are slowly decreasing. Moreover, over the past year a strong decrease in the number of the underemployed is evident.

The unemployment rate continued to drop in the second quarter of 2018, but what is bothersome is the fact that the gap between men and women has been widening, and it is currently one of the widest since the beginning of the recession. The de-escalation of

the unemployment rate is faster for youth as shown by the narrowing of the unemployment gap between individuals aged 15-24 and those aged over 25. Upper technical vocational education graduates seem to benefit more from the reduction in the unemployment rate so far. It is interesting that the unemployment rate decreased for both Greeks and non-Greeks, but the differential widened in favour of the former. Unfortunately, despite the reduction in the unemployment rate and the creation of new jobs over the past four years, still three out of four people looking for a job qualify as long-term unemployed.

Last but not least, the attempted institutional interventions regarding collective agreements and the minimum wage should be realised within the framework already defined, in order to be useful for the society and the economy. At the same time, they must not cause any unnecessary damage to either side.