

Greece

During the main reference period of the research conducted for this report (beginning 2010–January 2013), several major reforms were implemented, mainly forced upon Greece by the Memorandum of Understanding (MoU) it agreed with the so-called ‘Troika’, comprising the EU, the IMF and the ECB.

After the first drastic reform measures, mainly concerning pensions and including raising the retirement age/seniority requirements but also wage and pension cuts, on 6 May 2010 the Greek Parliament approved Law 3845/2010 introducing so-called ‘stage agreements’ for hiring unemployed persons up to 24 years of age, who are registered in the Labour Force Employment Organisation (Οργανισμός Απασχόλησης Εργατικού Δυναμικού, OAED) lists, for a period of up to 12 months. During the term of this agreement, gross earnings will correspond to 80 per cent of an unskilled worker’s minimum wage, as stipulated by the National General Collective Agreement (Εθνική Γενική Συλλογική Σύμβαση Εργασίας, GSEE) in force at the time. Also, the ban on placing employees in the public sector through temporary employment agencies has been lifted for three years, while provision is made for the OAED to subsidise temporary employment agencies in hiring unemployed persons aged 55–64 to work in the public sector. The latter age restriction does not apply to the placement of employees through temporary employment agencies to organisations supervised by the Ministry of Health and Social Solidarity, such as welfare institutions, mental health establishments and so on. Furthermore, the law provides for the adoption of presidential decrees raising the limit in the event of collective redundancies and at the same time reducing redundancy compensation.

In that same month, the Greek parliament passed another law entitled ‘Guarantees on Job Security and Other Provisions’ covering issues such as economically dependent work, part-time and short-time work and temporary agency work, but also dealing with certain aspects of working time arrangements. The most important provisions are as follows:

- *Economically dependent workers* no longer have to prove that they are in fact employed by a company and entitled to the rights that this entails; this burden is now shifted to the employer.

- *Subsidised short-time employment* can be continued but only for up to six months in the same calendar year.
- For *temporary agency workers* the principle of non-discrimination is extended to all terms and conditions of employment, whereas before it applied only to pay. Temporary agency work may be used only for specific reasons justified by exceptional, temporary or seasonal needs. The use of temporary agency work is prohibited (1) if the indirect employer has, during the previous six months, dismissed employees in the same occupation for economic or technical reasons; (2) if due to its nature the work entails particular risks to workers' health and safety; and (3) for construction workers. Furthermore, the new law provides that a person working at a company on a temporary basis for more than 18 months is entitled to an open-ended contract of dependent employment.
- Regarding *working time arrangements*, the previous legislation provided that working time arrangements may be imposed on a four-month basis, following unilateral recourse of the employer to a tripartite Working Time Arrangements Committee. Under the new law, these arrangements must now be set by agreement between the employer and the workers' representatives at company level. Furthermore, employees normally working a five-day working week but expected to work six days a week will be paid *30 per cent extra* for the sixth day.

Further changes to individual as well as collective labour relations were introduced by Law 3863/2010 which, among other things, provides for:

- *Lower thresholds for collective dismissals*: dismissals are now considered to be collective when more than six employees lose their jobs at companies with between 20 and 150 employees, compared to the previous threshold of four employees for companies with 20–200 employees. The threshold is set at 5 per cent of staff or more than 30 employees for companies with more than 150 employees, compared to the previous level of 2–3 per cent of staff and 30 employees for companies with more than 200 employees.
- *Shorter notice periods* for terminating white-collar workers' open-ended employment contracts.
- Possible abolition of unilateral recourse to the Mediation and Arbitration Service (OMED) as available under existing law.

In October 2010, the government issued a presidential decree on decentralising the collective bargaining system and weakening the mediation and arbitration system. Under Law 3899/2010 a new type of company-related collective agreements, the 'special company-related collective agreement', is introduced, which may provide for remuneration and other working conditions that are less favourable than those provided for by the respective sectoral collective agreement. Until Law 3899/2010 was passed, the principle of regulations more favourable to the employee in case of concurrent collective agreements applied absolutely: there was no possibility of departing from it. Law 3899/2010 subjects the conclusion of the special company-related collective agreement, as well as its extension and renewal, to a

preliminary procedure: parties interested in concluding a special agreement submit a joint explanatory statement to the Social Inspection Council of the Labour Inspectorate (SKEEE) setting forth the reasons justifying their intention to enter into a special company-related collective agreement. SKEEE's opinion is not binding, however. This means that parties may proceed to conclude the special company-related collective agreement even if the Council is against it.

Second, Law 3899/2010 considerably weakens the Organisation for Mediation and Arbitration (OMED). More specifically, the new regulations still offer the possibility of referring matters unilaterally to arbitration. This means that arbitration is still mandatory, as arbitration proceedings may be initiated freely by one party alone, but result in an arbitration award which is binding on both parties. However, Law 3899/2010 provides that, should mediation be unsuccessful, not only the trade unions but also the employer may refer matters unilaterally to arbitration if the other party does not accept the mediator's proposals. In terms of the scope of arbitration proceedings, the new regulations introduce a significant restriction: arbitration awards shall, from now on, determine only minimum monthly or daily wages. Other terms of employment, such as benefits, bonuses, working hours, holidays and the regulation of other employment terms (such as filling job vacancies, recruitment, termination of employment, grounds for termination and termination procedures, severance pay), can no longer be regulated by arbitration awards.

Furthermore, Law 3899/2010 also provided for further intrusive measures to make the labour market more flexible, such as: (1) redefining the calculation of part-time workers' pay to ensure it never exceeds the pay of a full-time worker doing the same job even with overtime; (2) the maximum period allowed for posting workers is raised from 6 to 9 months for employees in businesses with serious economic problems; (3) for the first time providing for a trial period within the framework of a permanent contract, which would be 12 months during which the labour contract may be terminated without notice and termination compensation, unless this is provided for in the contract; and (4) reducing layoff notices for permanent contracts to one month for employees who have been working at the company for between one and two years compared to the previously applicable four months, regardless of seniority.

In June 2011, and following another 'visit' by the Troika, new austerity measures were announced, including the following:

- *A new 'youth' contract.* This applies particularly to the recruitment of young people (up to 25 years of age) at a wage 20 per cent lower than what used to be offered for a first job, with a two-year trial period, with no social contributions for employers and no entitlement to unemployment benefits at the end of the contract. On the other hand and before hiring people on such contracts, employers will have to prove that they have not cut staff within the past three months; seasonal businesses will have to prove that they did not cut staff during the same period the previous year.

- *Working time adjustments.* Depending on a business's needs and situation, it will be possible to increase working time by allowing employees to work two more hours each day, for up to six months a year, provided that working time is cut an equal amount for the rest of the year. Such adjustments are possible within the framework of a company collective agreement, or of an agreement between the employer and union or works council.
- *Fixed-term contracts.* The period permitted for successive fixed-term contracts goes up from two to three years.

By means of Act 4024/2011 passed on 20 October 2011, the provision introducing special company agreements (see above) has been abolished and replaced by Article 37 of Act 4024/2011. This stipulates (1) that company agreements take precedence over sectoral agreements; (2) that, when there is no trade union organisation, company agreements may be signed by 'groups of employees', even in large businesses with 40+ employees, provided that 3–5 employees in the company are involved; (3) it also extends company agreements to businesses with fewer than 50 employees; and (4) according to Article 37-5 in case of conflicting collective agreements governing labour relations in one company, and contrary to the procedure so far, company agreements automatically prevail over sectoral collective agreements, even if they do not favour the employee (with the exception of minimum working conditions and remuneration based on general national collective agreements).

On 12 February 2012, the Greek Parliament adopted a new austerity programme, again giving in to pressure from the EU and the IMF. Apart from cutting the minimum wage laid down in the general national collective agreements (EGSEE) by 22 per cent compared to 1 January 2012 (and by 32 per cent for young people under the age of 25), the programme also provides for measures requiring amendment of the law on sectoral agreements, whereby sectoral agreements will now be signed for up to three years and expired sectoral agreements will remain in force for three months. If no agreement is reached by the end of that period, wages will fall to the level of basic pay, combined with general bonuses based on seniority, number of children, education, performance and so on. This will last until a new sectoral agreement or individual contract is signed.

Over the reference period with which this report is concerned, the Greek trade unions were very active in seeking the help and intervention of international and European fundamental (social) rights supervisory bodies to analyse the extent to which several of the above-described measures run counter to obligations under several ILO Conventions, as well as the Council of Europe (Revised) Social Charter.

Already in June 2011, the ILO decided to send an ILO High Level Mission to Greece to assess the situation following the alleged violation of 11 ratified ILO Conventions (mainly in the areas of freedom of association, collective bargaining, wages, social security and employment policy) due to the emergency economic reform package. The ILO High Level Mission took place from 19 to 23 September 2011. At its session of 9 December 2011, the ILO's Committee of Experts on the Application of Conventions and

Recommendations (CEACR) considered the Mission's report.¹ The CEACR underlined the important role that can be played by the ILO in supporting government and social partners in the development and implementation of appropriate reforms to the labour market and its institutions, so that they are in conformity with ratified International Labour Standards. It further emphasised the need for rapid support to bolster the labour relations system, promote collective bargaining and create a meaningful space for social dialogue which builds upon the traditions of the social partners.

Concerning the Council of Europe (Revised Social Charter), currently no less than six collective complaints lodged by trade unions are pending against Greece under the collective complaints procedure to the Revised Social Charter Council of Europe. They include the following:

- No. 80/2012 Pensioner's Union of the Agricultural Bank of Greece (ATE) vs. Greece concerns recent legislation, No. 79/2012 Panhellenic Federation of Pensioners of the Public Electricity Corporation (POS-DEI) vs. Greece, No. 78/2012 Pensioners' Union of the Athens-Piraeus Electric Railways (I.S.A.P.) vs. Greece, No. 77/2012 Panhellenic Federation of Public Service Pensioners vs. Greece and No. 76/2012 Federation of Employed Pensioners of Greece ((IKA –ETAM) vs. Greece. All four complaints allege that recent legislation passed in Greece (Law No. 3845 of 6 May 2010, Law No. 3847 of 11 May 2010, Law No. 3863 of 15 July 2010, Law No. 3865 of 21 July 2010, Law No.3896 of 1 July 2011 and Law No. 4024 of 27 October 2011) impose a reduction in pension schemes, in both the private and public sectors, and are in violation of Articles 12§3 (Right to social security) and 31§1 (Right to housing) of the 1961 Charter.
- No. 66/2011 General Federation of Employees of the National Electric Power Corporation (GENOP-DEI)/Confederation of Greek Civil Servants' Trade Unions (ADEDY) vs. Greece: according to the complainant trade unions the measures related to remuneration and working conditions contained in Act No. 3899/2010 of 17 December 2010 are in violation of Articles 1 (right to work), 4 (right to fair remuneration), 7 (right of children and young persons to protection), 10 (right to vocational training) and 12 (right to social security) of the European Social Charter; and
- No. 65/2011 General Federation of Employees of the National Electric Power Corporation (GENOP-DEI)/Confederation of Greek Civil Servants' Trade Unions (ADEDY) vs. Greece: according to the complainant trade unions the measures related to remuneration and working conditions contained in Act No. 3899/2010 of 17 December 2010 are in violation of Article 4 (right to fair remuneration) of the European Social Charter and Article 3 of the Additional Protocol of 1988 (right to take part in the determination and improvement of working conditions and working environment).²

¹ The report on the ILO Mission is available at: http://www.ilo.org/global/standards/WCMS_170435/lang--en/index.htm

² More information is available at: http://www.coe.int/t/dghl/monitoring/socialcharter/Complaints/Complaints_en.asp.

As a result of the austerity program adopted in February 2012, employers subject to sectoral collective agreements not renewed within three months of expiry can simply apply the basic wages provided for in the agreement. This measure started on 15 Mai and allows employers to unilaterally bring wages down to the basic pay levels specified in the sectoral agreement until an individual agreement is signed with the employee (with the exception of certain allowances regarding length of service, level of education and dangerous work). Three categories of collective agreements are hit by this measure:

- some 10 collective agreements which expired between 14 August 2011 and 14 February 2012: maintained for 6 months as provided for under Act 1876/1990, these now fall under the new measure unless renewed during that period;
- collective agreements which expired or terminated after 14 February 14 2012 and have not yet been renewed are also affected by this measure. 25 of them were prolonged for 3 months as provided for under Act 4046/2012
- 43 collective agreements expired or terminated before 14 August 2011.

In September 2012, in the context of negotiations on new adjustments, the Troika called for faster labour market liberalisation through amendments to working time legislation and through cuts in businesses' social security contributions.

With regard to the additional working time amendments, the Troika called for limiting the daily rest period to 11 hours instead of 12; removing shiftwork in the morning and afternoon; putting a stop to adjusting employees' working hours to a company's opening hours; and providing for the possibility for seasonal workers to be temporarily laid off for two weeks in a row any time of the year. The Troika is also recommending reforms to the Labour Inspectorate.

Not taking into account the high level of unemployment in particular of people under the age of 25, the Troika has requested even more flexibility by cutting redundancy pay by 50% while the notice period for employers terminating employment contracts – currently one month for people who have been with the company for 2-12 months, 2 months for 1-4 years and up to 24 months for at least 28 years – is in effect. Furthermore, it is calling for a reduction of non-wage labour costs and businesses' social security contributions, even though the minimum wage was already cut by 22 % in early 2012, down to €585, and by 32 % for workers under the age of 25 in the private sector.

On 8 November 2012, with a 3-vote majority, the Greek Parliament voted the 3rd MoU, despite the government's political weakness and the massive protests against it. The 3rd MoU is characterized by a further deregulation of labour markets and services as explicitly requested by the Troika, essentially entailing:

- spending cuts in particular in the civil service (pay, pensions) and a further 80,000 job cuts, with only 1 in 5 of retiring staff being replaced. In the private sector as of April 2013, measures will introduce new, lower minimum wages (monthly and daily pay), removing automatic increases “as long as unemployment is over 10%.” Additionally, further pay cuts (depending on the sector) are foreseen, as well as increasing the retirement age from 65 to 67 for all employees, gradually increasing the number of contribution years required (from 37 up to 40 years), cutting pensions higher than €1,000 by 5-25 %, and making cuts to supplementary pension schemes and pensions built up over working years). Admission criteria for unemployment insurance benefits will be tightened, special compensation systems removed and benefit levels lowered. Family allowances will be affected as well, notably for disabled people and families with more than two children. This last measure will have a drastic impact on the population since ending allowances *de facto* ends welfare coverage.
- making labour law more flexible, in particular through amendments to:
 - protection against dismissal, through reducing the notice period, cutting redundancy pay by half, and removing 13th and 14th month salaries (aka Christmas and Easter bonuses).
 - working time, through introducing a 6-day working week instead of 5, through allowing agreements between employees and employers on the organization of working time outside the legal framework of the collective agreement, through bringing the daily rest period down to 11 hours, through introducing the possibility, for seasonal jobs, of being temporarily laid off for 15 days in a row at all times of the year.

Despite the “total austerity” programme, deemed by many economists worldwide as devastating and counterproductive, all indicators are in the red and Greece is about to start its 6th year of recession. GDP is expected to decrease by 4.5 % in 2012, with debt expected to rise further.

According to the Hellenic Statistical Authority (ELSTAT) the unemployment rate reached 26.8% of the active population in October 2012 as opposed to 19.7% in October 2011. 56.6% of unskilled young people aged 15-24 are without a job and 30.4% of women are unemployed. Unemployment is expected to reach 30 % in 2013, while young (and not so young) graduates are leaving the country at a massive rate. To fight these catastrophic demographic and employment circumstances, a "National Action Plan for Youth Employment" based on the European conclusions on this subject (“Work prospects for young people in Europe”) was adopted on 10 January 2013 with a new 9-action programme targeting people aged 15-25 and aimed at creating jobs for young people in line with their skills, improving education and vocational training as well as learning systems, with a special focus on the link between training and work experience. Special attention will be paid to practical internships during studies, systematic school-to-work programmes in order to gain initial work experience, better career guidance and

advice for young jobseekers and students at school, career support and entrepreneurship advice for university students, business start-up support for young people, with priority being given to innovative products, services and sectors, and investments in measures aimed at cutting early school-leaving. Starting in the first quarter of 2013, several concrete actions will be introduced. These include a cheque for jobseekers under the age of 29 to start their active working life; a subsidy programme to boost and support youth entrepreneurship in innovative sectors and providing training support; helping young entrepreneurs in agriculture and agronomics; a national social network of emergency intervention measures against poverty; a youth employment programme in culture; a programme subsidising businesses that recruit young jobseekers with a higher-education degree; a pilot scheme to promote social business start-ups by young people; and support for businesses employing highly-skilled staff (e.g. researchers).

References/sources

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Contributions by ETUC affiliated organisations:

ETUC Litigation network (meetings 29 June 2012 and 10 December 2012)

ETUC Social Policy and Legislation Ad hoc working group (Meetings 13 November 2011, 5 April 2012, 24 October 2012).

ETUC Legal Experts Network NETLEX (Annual Conference 1-2 December 2011, 11–12 December 2012)