

EKA

ATHENS LABOR UNIONS ORGANIZATION

Major alterations in labor legislation

1. Extension of the probationary period
(from 2 months to one year)
2. Reduction in severance payments
3. Lower thresholds for collective dismissals
4. Reduction in overtime costs
5. Reduction in minimum wage at 22%
determined by the General National Collective Agreement
6. Further reduction 10% in minimum wage at 32%
(for the young under 25 years of age)
7. Reduction in the allowances for the unemployed

Minimum wage

for the single, unskilled employee

- *Before*

751 Euros (gross)

648 Euros (net)

- *Now*

586 Euros (gross)

487 Euros (net)

- Young under 25 years of age

510 Euros (gross)

396 Euros (net)

Allowances for the unemployed (duration of 12 months the most)

- *Before*

461 Euros

- *Now*

359 Euros

Major alterations in labor legislation

8. Encouragement of flexibility in labor market
9. Diminishing of social benefit program
10. The closure of OEK (Workers' Housing Organization)
OEK provided rent subsidies to 120,000 beneficiaries, issued 10,000 subsidized housing loans a year and built 1,500 annually.
11. The closure of OEE (Workers' Welfare and Recreation Centre)
end to a number of social benefits that the state provided, such as cheap holidays, theatre and books
12. Collective Bargaining
13. OMED (Organization for Mediation and Arbitration)

Collective bargaining

- In 1990 the principal law that sets the institutional framework for collective bargaining in Greece .
- The minimum limits of protection for salaried workers throughout the country are set by the National General Collective Labor Agreement, which is signed by the third-level employer's and worker's organizations and has a force of law.
- Sector-related, business-related and occupation-related collective employment agreements must not include employment terms that are less favorable than the employment terms set by the National General Collective Labor Agreement.
- If different collective employment agreements are in conflict, the principle of implementing the provisions most favorable to the workers applies (favorability principle).
- But, for the first time the favorability principle has been cancelled by a recent law, which provides for 'special company-related agreements' being less favorable to workers than sectoral agreements.
- A greater deterioration of collective employment agreements derived from the next law 4024/2011. This legislation stipulates that 'company-related agreements' can be signed not only by the company trade union, -if no trade union does exist (if the employees are fewer than 20 persons according to law)- but also by a group of persons - employees. This change is also a profound intervention into the social partner's role.

Organization for Mediation and Arbitration (OMED)

- If bargaining between the parties to conclude a collective employment agreement fails, interest parties may appeal to the Organization for Mediation and Arbitration OMED. It includes two steps. The first is the Mediation procedure and the second the Arbitration one. Any interested parties may request the appointment of a mediator. Where an employer rejects a mediator's proposals, the workers trade union that accepts those proposals may refer the matter unilaterally to arbitration. Things have dramatically changed about the role and effectiveness of OMED Organization, after the latest law 4046/2012, which abolished this unilateral possibility.
- And why the abolition of the possibility of unilateral recourse to OMED is a bad consequence? The answer is quite simple. Between employees and employers, the weaker part is undoubtedly employees. So, if the employers are not in favor of finding a mutually approved agreement they can choose not only not to recourse to OMED, but also to impose their own working terms to their employees!

Results-consequences in real economy

- 1. Greek **economy** has shrunk about 15 per cent since 2008
- 2. **Unemployment** has been vastly increased up to level of 21%.
- 3. 60.000 **enterprises** have closed since 2009.
- 4. **Civil servants' salaries** reduced 30-35%.
- 5. **The Pension Funds** were obliged to a **haircut** of their nominal value about 53,5% (12 billion Euros).
- 6. **Workers payments' delay** 2 up to 6 months.
- 7. Combination of **downsizing** of **salaries** and pensions, **high inflation, tax increases**

Results-consequences in real economy

- 8. **20% of people live below the poverty line**
- 9. **IMF presses Greek government for additional measures**
- 10. Extra cuts to the public sector
 - a) the **closure of state owned corporations**
 - b) the gradual **decrease of civil servants** up to 150.000 until 2015.

Proposals made by the Trade Unions

- Greek Trade Unions [The General Confederation of Labor (GSEE), and the Confederation of Civil Servants (ADEDY)] have expressed an alternative proposal in order to deal with the crisis. This proposal applies firstly to the change of the implemented economic and social policy and secondly to the confrontation of the structural problems of the Greek economy. The solution of the problems will come through:
 - **a.** income redistribution, reducing tax evasion, diminishing social security contributions evasion, aiming at reducing the creation of primary deficits
 - **b.** Setting up of a new model of economic development (productivity quality, products and services quality, quality of employment relations, income quality, social protection quality etc).
 - **c.** Furthermore, the Greek banking system must play an important role at boosting economic growth by giving loans to the enterprises and households at a minimal interest rate.

Thank you very much!