

Joint European Level Social Partners'
Work-Programme 2006 – 2008

Joint Study on Restructuring in the “EU15”
Phase one

GREECE

Summary note of the meeting that took place in
Athens on 28th & 29th June 2007

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Introduction

The third seminar in the joint European level social partners' project, “Joint study on restructuring in the EU15” took place in Athens, Greece on the 28th and 29th June 2007. It was attended by the Greek social partners, European social partners and experts – an attendance list is attached as appendix one.

Those present were welcomed to the meeting by the Greek hosts. Jeanne Schmitt of BUSINESSEUROPE and Cinzia Sechi of ETUC opened the meeting explaining the background to the new project in the context of the 2006 – 2008 social partners work programme and the work already undertaken by the European level social partners on restructuring in the 10 New Member States; capacity building for employers' organisations and trade unions for participation the European Social Dialogue in the New Member States and Candidate Countries; and the employers' and trade union resource centres. They explained that the current phase of the project would facilitate a review of restructuring that looked beyond “job losses”.

The Greek national report – section one

The project expert for the Greek report, Antonio Dornelas, presented the first section of the Greek National report – “A macroeconomic review of restructuring in Greece” (slides attached as appendix two). At the end of the presentation he left the Greek social partners with the following questions;

1. What must be done to facilitate and accelerate Greece's economic convergence to the EU average in terms of economic performance?
2. What can be done to reduce the size of the shadow economy?
3. After almost a decade of good performance, what accounts for the recent disappointing data on productivity growth?
4. Is the present Greek structure of employment sustainable on the long run, especially for women and for young people?
5. What are the sectors on which Greece's future success will depend, and what active labour market actions need to be taken to assure the adequate supply of quality and quantity workers?

Following the presentation the points summarised below were made by those present to further explain the context in which the report had been drafted, to add new information and, to help shape conclusions in order to contribute to the content of the final national dossier;

- ◇ The questions raised were pertinent to the current state of the Greek economy. Asking the participants for answers was a more difficult proposition. If the answers were known they would have been implemented;
- ◇ An important part in the black economy in Greece is played by legal or illegal migrants working without documents. These workers cannot join trade unions, often work in difficult conditions and without insurance. Black market wages are generally a half of those paid in the regular economy. The State does not take the black economy situation seriously enough. The system of labour inspectorate is not efficient;
- ◇ The Greek education shortfall is a serious matter, with the consequence of mismatch between qualifications attained and those needed by industry . The core of the problem is that the State is not performing its role effectively;
- ◇ The Lisbon targets described in the report are quite simply unachievable for certain European countries – and Greece is one of them. A stronger focus should be given to the quality of Lisbon targets.
- ◇ Even when the social partners have produced joint recommendations to Government, they have not met with a favourable response. If the content of collective agreements were extended legally, compliance would improve;
- ◇ Whilst collective agreements focus primarily on pay issues (an exception is the recent OTE agreement), social dialogue at national level is attempting to focus more on key labour market issues like the fight against unemployment;
- ◇ A serious problem faced in the Greek employee relations climate is that there is little trust between employers and employees. At the level of the social partners, important issues like the black economy, low skills and outsourcing cannot be tackled whilst trade unions and employers organisations are not on an equal footing. Trade union representatives are excluded from key meetings with government. Discussions with employers are too often based on the notion of a “zero sum game” where one side can only succeed at the expense of the other. Even on important issues like safety and health, representatives are not involved when important problems arise;
- ◇ Many of the problems faced by the Greek economy are serious. They relate to productivity, undeclared work and competitiveness. More effort should be spent on the creation of new jobs and businesses. This is a difficult proposition if individuals and the state are not prepared to make major investments;
- ◇ Restructuring in Greece appears always to be to the detriment of workers. Redistribution of the gains from restructuring rarely favour employees;
- ◇ Lifelong learning is an important issue and some progress has been made – but the real need in Greece is the “building of new chimneys” and the creation of new jobs;

- ◇ The report highlights a lack of flexibility in Greek employment patterns, but in the Greek context flexibility only helps employers. Flexible workers are excluded from benefits and suffer lack of protection;
- ◇ Greek productivity has increased in recent years from 60% of the EU average to 85%. Despite this, jobs are still lost to Asia and employees see no benefits in further productivity improvement. This is why productivity growth has come to a standstill. There is a general shortage of incentives for workers to increase productivity.
- ◇ Currently the Greek economy imports €25bn of good and exports just €12bn - but we have let our textiles businesses virtually disappear. These kinds of industries need to be better supported.

The Greek national report – section two

Antonio Dornelas presented the second part of the Greek dossier “The role of the social partners in restructuring” (slides attached as appendix three). He left the participants with the following questions;

1. The report paints a picture of adversarial social partner relationships based upon radically differing views on the macroeconomic needs of the Greek economy. To what extent does this reflect social dialogue reality in Greece?
2. To what extent do the reported rigidities in employment law and practice help or hinder economic transformation at the company, sector and national levels?
3. In what ways do Greek laws and practices on information and consultation facilitate or hinder qualitative change in the workplace?
4. In the face of increasing competition from low cost countries to the “near” and “far” East, how can the Greek social partners assist in the structural changes needed to shift the country from competitiveness based upon “low cost - low skill” to a different model?
5. In the Greek context, can a clearer focus on “employability” replace the current focus on “existing job protection”?
6. How can the Greek social partners deal with the problem of the size of the informal economy and its negative effect on their influence?

Following the presentation, and in similar fashion to the discussion of section one above, the points summarised below were made by the seminar participants;

- ◇ The report suggests that government intervention in employee relations ended in 1990. This is not the case – the nature of the intervention simply changed;
- ◇ The coverage rate for collective bargaining in Greece is suggested to be 70%. This cannot be true as the social partners bargain a nationally applicable minimum wage. Hence coverage should be close to 100%;

- ◇ For the future, it is inconceivable that the Greek economy should take the “low road” to competitiveness and compete with India, China and Pakistan on the basis of costs. It is simply not possible to reduce pay and working conditions below today’s levels without a strong and violent popular reaction;
- ◇ The social partner agenda may not be as narrow as is suggested. The social partners included “Telework” in their last national deal. The employers pointed out that issues of safety and health and ongoing learning had also been discussed. The participants did agree however that the agenda may not be broad enough;
- ◇ If the problems of undeclared work and flexible contracts are examined by the social partners, will Greece’s small entrepreneurs abide by the outcomes? There is little reason for them to do so right now. Dialogue simply for dialogue’s sake is pointless;
- ◇ Trust and confidence in the social partnership is lacking, and the public services do little to help build confidence in labour market institutions;
- ◇ The problems of the Greek economy are not related to employment costs. Lack of investment in training; the introduction of new technology; research and development; and innovation are at the core of problems today.
- ◇ The rigidity of Greek labour laws is suggested to be a problem. But if the law were to allow for collective dismissals, the situation would get worse rather than better;
- ◇ The size of the informal economy affects workers feelings of security, despite the legal protections they have. People who have a steady job are reluctant to make demands on their employer. The economy has a real problem when the aspiration of parents is for their child to become a public servant;
- ◇ Some steps have been taken towards the fight of undeclared work in the national collective agreements;
- ◇ There are major problems with the flexicurity agenda being promoted at the EU level. The Danish model of flexibility and security is unlikely to work in countries like Greece, Turkey, Malta, Spain and Italy.

Joint EU social partners work relevant to restructuring

Juliane Bir (ETUC), Liliane Voložinskis (UEAPME), Valeria Ronzitti (CEEP) and Jeanne Schmitt (BUSINESSEUROPE), presented the recent work of the European social partners in the area of restructuring focusing on their activities relating to lifelong learning; orientations for change; European Works Council best practice; and the restructuring studies (slides attached as appendix four).

Case study one – Restructuring procedures in two Greek SME's

Giorgios Iioannidis of GSEVEE presented two case studies of business transformation in two SME's in the furniture sector – Laro Abee and Ellatirio Strom. The final report will be supplemented by the additional points made in the presentation.

Case study two – Elefsys shipyards

Representatives of the company management and from the trade unions presented the Elefsys shipyards case study. The final report will be supplemented by the additional points made in the presentation.

Comments of the EU social partner organisation representatives

The European level social partners made the following broad observations;

- ◇ The Greek social partners had interacted together during the seminar in an adversarial but positive manner. It had helped that there was a better balance of attendance between the two sides on the second day although an even greater participation on the employers' side would have been welcomed;
- ◇ The trade unions face genuine problems associated with falling membership, density and high numbers of micro enterprises that were difficult to organise. They would have to look at the practical “art of the possible” in influencing restructuring in Greece;
- ◇ Although gender balance was a strong theme in the report it had not been discussed in the meeting. It should not be forgotten as an important issue;
- ◇ The social partners have to find ways to engage on the twin, and related, dilemmas of the economy – poor performance in lifelong learning and low levels of research and development and innovation;
- ◇ There are many useful documents that might help the social partners in going forward. The social partners translation fund could make these accessible to Greek audiences;
- ◇ Restructuring is not the negative issue the Greek social partners appear to portray it as. Change is an ongoing reality and those that succeed do so because they manage change well and approach discussions from non adversarial points of view. This kind of approach has been a major success over the last 10 years at the European level;
- ◇ Employability will be an important issue in addressing feelings of insecurity in the Greek labour market. Employability is a subjective as well as objective notion. Subjective – in that if a displaced miner sees himself as just a miner ... then he will be unlikely to find another job. Objective – in that new skills and competencies were needed to succeed in a new field. Employability is therefore about both motivation and competence;

- ◇ Employability and related issues need to become an integral part of the Greek approach to collective agreements. Negotiations need to be broadened beyond wages;
- ◇ Successful social dialogue is based on the notion that both sides have something to offer to the other. If one side has nothing to offer, then there is little point in dialogue;
- ◇ Success for the Greek social partners will be based on a combination of key themes – trust, anticipation, honest communication, entrepreneurship and soliciting government support on jointly agreed priorities like the black economy;
- ◇ It was unfortunate that no-one from the Greek public sector had been present at the meeting until the end, as this is a key sector in the Greek economy. However it was noted that this absence had been occasioned by a serious and unforeseeable personal problem on the part of the anticipated attendee;
- ◇ Whilst many important issues needed state support for resolution, other issues were within the scope of social partner competence and could be handled through the national collective bargaining machinery;

Towards the end of the meeting, an employee representative from the textile/apparel manufacturing area in the North of Greece presented the current state of restructuring in the area stressing that little or nothing was being done either nationally or in Brussels to maintain the industry and to save jobs in the area. She described this as a personal tragedy for all the involved workers and their families.

At the end of the meeting, the social partners were thanked for participation in the meeting and for their positive engagement in the process.

APPENDICES

1. Attendance list for the seminar;
2. “A macroeconomic review of restructuring in Greece” – Expert presentation;
3. “The role of the social partners in restructuring” - Expert presentation;
4. “Joint EU social partners work relevant to restructuring” - presentation by the European level social partners;