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ΓΕΝΙΚΗ ΣΥΝΟΜΟΣΠΟΝΔΙΑ ΕΡΓΑΤΩΝ ΕΛΛΑΔΑΣ
Μέλος της ITUC και της ETUC

G.S.E.E.
GREEK GENERAL CONFEDERATION OF LABOUR
Affiliated to ITUC and ETUC

No ....562..

Athens, ...29.7.10...

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Subject: Urgent observations under Articles 22 and 23 of the ILO Constitution by the Greek General Confederation of Labour (G.S.E.E) regarding the implementation of ratified ILO core Conventions No. 98, No. 87 and No. 154, as well as ratified ILO Conventions No. 81, No. 95, No. 100, No. 102, No. 111, No. 122, No. 138, No. 150 and No. 156.

The Greek General Confederation of Labour (hereinafter G.S.E.E.) following the legislative austerity measures already implemented or to be implemented by the end of 2010 by the Greek Government in the framework of the international loan mechanism of the Greek economy, which significantly and directly affect workers' fundamental rights provided for in International Labour Conventions, submits to the Committee of Experts on the Application of Conventions and Recommendations (CEACR) during the current supervision period, the following observations on the non-observance by Greece of the fundamental labour standards guaranteed by ILO ratified core Conventions No.98 (The Right to Organize and Collective Bargaining), No.87 (Freedom of Association and Protection of the Right to Organise), No.154 (For Collective Bargaining), as well as Conventions No.81 (Labour Inspection), No.95 (Protection of Wages), No.100 (Equal Remuneration), No.111 (Discrimination on Employment and Occupation), No.122 (Employment Policy), No.102 (Social Security (Minimum Standards), No.138 (Minimum Age), No.150 (Labour Administration), No.156 (Workers with Family Responsibilities).

I. The substantial change in the national institutional framework

1. On March 5, 2010, Law 3833/2010 (FEK[1] A' 40/15-3-2010) on the "Protection of national economy - Emergency measures to tackle the fiscal crisis" was adopted by the Greek Parliament.

This Law, among other measures (i.e. the major reductions in the wages of all public employees), provides for:

a) important reductions and cuts in the wages of all workers under private law contracts, employed in the public and broader public sector (central government, municipalities, public companies, local governments, state agencies and other public institutions, except banks):

i) by 7% in all sorts of regular wages, allowances, remuneration and payments in general that are already provided for by general or specific provisions of law, clause or provision of a collective agreement or arbitration award or an individual employment contract or agreement[2] and,

ii) by 30% in the workers' regular payments relating, under the law, to the annual leave and the Christmas and Easter period (Article 1 paragraph 5 Law 3833/2010, as re-worded by Article 90 paragraph 5 Law 3842/2010):

It should be mentioned that by a new permanent provision imposed by another Law (not related to the income policy of the year 2010), these above-mentioned regular wages of workers (points i) and ii)) were further reduced as from June 1, 2010 by -3% (Article 3 and 6 paragraph 4 Law 3845/2010, see below).

b) the prohibition also for the abovementioned workers, from the entry into force of this Law until 31.12.2010, to exercise their right to free collective bargaining and to conclude collective agreements that could provide increases in their wages, as they are

[1] FEK – acronym for the Greek National Gazette

[2] Excluded from this reduction are allowances that are related to marital/family status or the promotion of the worker, as well as allowances associated with heavy and arduous working conditions, all of which will freeze at the amount paid on 31.12.2009.

now formed after the above-mentioned reductions imposed by Law[3] (Article 3 paragraph 1).

2. On May 5, 2010, Law 3845/2010 (FEK A' 65/6-5-2010) "Measures for the application of the support mechanism for the Greek economy by euro area Member States and the International Monetary Fund" was adopted by the Greek Parliament.

This Law, mostly in the form of a framework instrument, includes measures of direct implementation, which relate, among other things, to:

a) permanent measures through which the State intervenes in the system of free collective bargaining and alters the existing mechanism for fixing through the National General Collective Agreement (hereinafter E.G.S.S.E.) the generally binding minimum standards of work (wages and working conditions) applicable to all workers in the Greek territory with dependent work contracts under private law (Article 2 paragraph 7)

b) provisions that directly exclude or serve as a legal authorization–basis for the further introduction of measures that allow the exclusion of other groups of workers, and particularly the most vulnerable such as young workers, from the scope of the E.G.S.S.E. and from the generally binding provisions on minimum wages and conditions of work that are in force (Articles 2 and 9, paragraph 6, points e' & f')

c) permanent measures (not related to the income policy of the year 2010, see above), that impose further reductions as from 01/06/2010:

i) by 3% in the regular wages of all workers under private law contracts in the broader public sector and in public enterprises in breach of collective agreements already in force and

ii) by eliminating the abovementioned workers' regular payments relating to the annual leave and the Christmas and Easter period and replacing them with a very small flat amount (Article 3 par. 4.6 and 8, see above under 1 a) the reduction by 5% from 1.1.2010 according to article 1 paragraph 5 N. 3833/2010)

[3] This prohibition covers the setting of wage increases through collective agreement also in the above-mentioned salary allowances that are excluded from the reduction of 7%.

d) provisions that serve as a legal authorization-basis for the introduction of additional measures to raise the minimum threshold for activation of rules on collective dismissals and simultaneously change the manner of payment and lessen the overall level of severance pay: drastic reduction of both the amount and the notice periods (Article 2 paragraph 9 points b' & c')

e) permanent measures that significantly reduce the pensions granted to pensioners of all principal social security funds (Article 3 paragraph 10[4]).

f) general provisions which serve as a legal authorization-basis for:

i) the introduction by Presidential Decrees of all fiscal policy measures to supplement, repeal or amend the provisions already in force in order to achieve the programmed objectives of the international loan and support mechanism, and

ii) the issuing of Ministerial Decisions in order to regulate all relevant matters of technical or detailed nature (Article 2, paragraph 1 point a' and 12).

3. Based on Article 3 of Law 3845/2010, two Annexes (Annexes III and IV), are attached as an integral and binding part of this Law. These Annexes include the two Memoranda of 3-5-2010 drawn up by the Greek Ministry of Finance with the participation of the European Commission, the European Central Bank and the International Monetary Fund (Memorandum of Economic and Financial Policies and a Memorandum of Understanding on Specific Economic Policy Conditionality) and are related to the agreed Implementation Plan to activate the support mechanism.

The Memoranda in question, include, describe and plan the concrete commitments and the respective actions by the Greek Government agreed upon in order to ensure the activation and further functioning of the international financial aid mechanism for Greece and the due observance by Greece of the international loan contract and the obligations undertaken vis-à-vis the country's international creditors.

[4] See also articles 1 and 2 of Law 3863/2010.

As the full texts of both Memoranda are attached to our observations (Annex II), Annex I indicatively outlines on the one hand the specific provisions of the two Memoranda that relate to the commitments undertaken by the Greek Government with a view to implementing concrete measures in the field of the so-called "labour market" as well as to particular interventions in the existing industrial relations framework and on the other hand, to interventions in social security issues including the related interventions and adjustments in the current system of social security benefits.

4. Law 3863/2010 (FEK A' 115) on the "New Social Security System and relevant provisions" – New additional measures on industrial relations.

On 17.06.2010, in the light of the broad authorization of the article 2 paragraph 9 of Law 3845/2010 and the above-mentioned Memoranda on the international loan mechanism for Greece[5] (which include national policy commitments of Greece for the adoption of the relevant and already agreed compliance measures), the Ministry of Labour and Social Security announced the provisions of a draft Presidential Decree for the direct regulation of the industrial relations framework. As this draft Presidential Decree according to the Greek Constitution (article 95 paragraph 1 point d') needed to be submitted to the Hellenic Council of State (STE) for elaboration and examination of constitutionality, the G.S.E.E. submitted an urgent memorandum to this Supreme Court stating that the draft provisions in question affected directly the core of constitutionally guaranteed fundamental rights and subverted institutional arrangements embodied in the Greek Constitution and in a number of international Conventions and Treaties that were binding to Greece. It should be noted that the draft provisions in question of this Presidential Decree drew also strong opposition from the vast majority of Members of the Greek Parliament while strong reservations were expressed by judicial and legal bodies. Finally, on June 22, 2010, the Ministry of Labour and Social Security announced that the draft Presidential Decree would be abandoned and its provisions would be incorporated into the Draft Law on the "New Social Security System and Related Provisions". The provisions, titled "Labour provisions for the implementation

[5] See Annex II

needs of the Stability Program of the Greek economy", which were finally included in the eleventh chapter of the Draft Bill (now Law 3863/2010), are as follows:

1) the substantial increase in the allowed limit (percentage) of collective dismissals (from four workers in enterprises employing 20 to 200 workers to six workers in enterprises with 20-150 workers and from 2% of the workers in enterprises with more than 200 workers to 5% of the workers in enterprises with more than 150 workers) and,

2) the simultaneous substantial reduction of the statutory severance pay (50%) and of the notice period, thus rendering easier and cheaper for employers to revoke work contracts and terminate the employment relationship, through the new substantially short notice periods as aptly exemplified by the reduction of the due period of notice from 24 months to 6 months for workers with 28 or more years of work (Article 75, paragraph 1 and 2);

3) the abolition of the employer's obligation when the dismissal occurs to make a one off payment of the worker's entire severance pay required to meet his/her basic everyday living needs, as well as the establishment of the partial payment of the severance pay in bi-monthly installments without providing any further guarantee for the protection of the dismissed workers' claims. (Article 75 paragraph 3);

4) the introduction of a general obligation by the employer to contribute for a period up to three years to the cost of the continuation of the social security coverage (self-insurance) for workers aged 55-64 who are dismissed albeit without providing guarantees as regards neither the required level of social security contributions for the dismissed worker as not to undermine the already achieved level of his/her social security rights, nor as regards the nature (obligatory or not) and the level of participation to the coverage of the social security contributions from the OAED[6] (Article 75 paragraph 4);

5) the indirect acceptance of the employer's right to dismiss older workers and/or workers that are near retirement through introduction of a permissible rate of dismissal with regard to this vulnerable group of workers (10% of dismissed workers) in contrast to the European Union's and the national settled case-law

[6] OAED = Manpower Employment Organisation

acquis on the social criteria that bind employers' decisions to dismiss workers near retirement. It is mentioned that this provision will act as "a motive" to dismiss workers approaching 55 years of age. (Article 75 paragraph 7);

6) the abolition of the generally applicable and mandatory minimum wage provided for by the E.G.S.S.E. for the particularly vulnerable group of young workers up to 25 years who enter the labour market. According to the new provision, these workers will receive only 84% of the minimum wage, while the Manpower Employment Organisation (OAED) undertakes a new additional obligation (for a unspecified time period) to cover the social security contributions for these young workers. However there is no safety valve to ensure that employers who have, in obvious abuse of their right, recently dismissed persons are not included in this program (Article 75 paragraph 8);

7) the exclusion of minor workers of 15–18 years of age from the binding (till today) protective minimum standards framework of the E.G.S.S.E., as regards the minimum wage and conditions of work. According to this provision, the employment of minors of 15–18 years is henceforth allowed under a generally applicable contract of "apprenticeship" (without any other guarantee) and they will receive 70% of the minimum wage, with scant social security coverage that is inadequate for their age and their proper welfare and the exclusion in practice of all these minors from the scope of the fundamental principles and rights at work previously guaranteed to them (Article 75 paragraph 9);

8) the considerable reduction of the cost of over-time work and the cost of unauthorized 'illegal' over-time work effected without the prior approval from the Labour Inspectorate (Article 75 paragraph 10 & 11);

9) the upgrading of the claims of Social Security Institutions and Organizations to the same high rank of privilege as workers' claims in cases of liquidation auctions or declaration of bankruptcy or in any case of employer's insolvency without the appropriate guarantee that workers' claims are protected and paid out of the assets of the insolvent employer in precedence of non-privileged creditors. (Article 41).

II. Greece's non-observance of the fundamental Labour Standards provided by core ILO conventions No.98, No. 87 and No. 154 and the serious

impact on the due observance of ILO Conventions No. 81, No. 95, No. 100, No. 111, No. 122, No. 138, No. 150, No. 156.

1. The fundamental guarantees of core ILO Conventions No. 98, No. 87 and No. 154.

By adopting and imposing the following permanent measures the Greek government has failed to observe and fulfill the country's international commitments as regards the respect of the protective minimum standards of work. Specifically the measures in question concern:

- the statutory restriction (abolition) of the system that hitherto set minimum wages and conditions of work (applied without discrimination to all workers employed in the Greek territory) through the National General Collective Agreement (E.G.S.S.E.) and the withdrawal of the core labour law principle that the provisions of the other collective agreements (sectoral, professional, enterprise) cannot be less favourable than the minimum standards introduced by the E.G.S.S.E., according to the provision of article 2 of Law 3845/2010 paragraph 7 which provides for:

  > "7. Professional and enterprise collective agreements' clauses can (from now on) deviate from the relevant clauses of sectoral and general national agreements, as well as sectoral collective agreements' clauses can deviate from the relevant clauses of national general collective agreements. All relevant details for the application of this provision can be defined by Ministerial Decision."

- the exception of young unemployed persons up to 24 years of age from the minimum standards of wages and conditions of work of the E.G.S.S.E., who through "apprenticeship" contracts[7] and extended probationary periods will be remunerated

[7] During the last years, this type of contract ("apprenticeship" contract) has been widely abused in Greece in order to fill regular job positions corresponding to permanent needs in the private, broader public and public sector since workers employed under this type of contract (instead of a typical employment contract) are not covered by the protective framework of labour law and collective agreements as regards wages and conditions of work. So, there are no statutory guarantees for the protection of workers against abusive practices in the private sector. There was an attempt by the end of 2009 to partially address this abuse in the public sector through Law 3812/200 (FEK A'234) on "Reforming the system of recruitment in the public sector".

It should also be noted that the Scientific Committee of Greek Parliament, in the context of its institutional duties in the parliamentary legislative procedure, in its Report on the draft of the subsequent Law 3845/2010, did include remarks concerning article 2 paragraph 6 (remuneration of young unemployed persons up to 24 years of age with the 80% of the minimum basic wage of the E.G.S.S.E.) pointing out the following:

with the 80% of the minimum basic wage with relatively reduced social security contributions and protection (Article 2 paragraph 2 Law. 3845/2010).

– the authorization granted to the Minister of Labour to regulate, through Presidential Decrees, working conditions and the minimum wage for young persons under 25 years of age that enter the labour market for the first time, as well as the general working conditions and social security coverage for workers with annual contracts of "apprenticeship", thus excluding this vulnerable group of workers from the scope of the minimum standards of wages and working conditions which so far have been set through the E.G.S.S.E. as a result of a free collective bargaining process (Article 2 paragraph 9 points e' & f', Law 3845/2010).

– the abolition of the generally applicable and mandatory minimum wage provided for by the E.G.S.S.E. to both young workers up to 25 years of age entering the job market for the first time who are henceforth remunerated with 84% of the minimum wage, but also for employed minors, who—through the right granted to employers to employ minors under "apprenticeship" contracts without any protection safeguards—are now remunerated with 70% of the minimum wage, have their social security coverage limited down, while being excluded from the protective framework of the E.G.S.S.E. and from the protective provisions of labour legislation (including permitted working hours, the start and end of working hours taking into account course schedules, obligatory periods of rest, obligatory paid annual leave, time−off for attending school, studying, sick leave etc.) (Article 73, paragraphs 8 & 9, Law 3863/2010).

"It is not clear neither if the amount of contributions ascribed by the OAED would cover the total amount (percentage) of employer's and worker's social security contributions, nor if this provision concerns only the newcomers to the labour market or the other categories of unemployed persons as well. Furthermore, there is no clarity as it concerns the safeguards of this provision for the prevention of abusive practices on the use of the "apprenticeship" contracts for the coverage of fixed and permanent employment needs of the employer, bearing in mind the fact that the workers of this category can be remunerated below the general minimum standards of wages of the E.G.S.S.E. Finally, no guarantee is provided for the continuation of the employment of this young worker for a certain period after the termination of the period with the reduced payment, having as result, after the expiration of the "apprenticeship" contract of a young worker up to 24 years of age, the employer to be able to conclude again an "apprenticeship" contract, by **hiring another unemployed young person or newcomer to the labour market and by employing him with this reduced remuneration".** (Emphasis added)

– the lack of due respect to and implementation of as well as the intervention in collective agreements in force that results from drastic reductions in wages (through permanent measures effected twice within six months) of workers under private law contracts in the wider public sector that is governed in whole by collective agreements, the negotiation and conclusion of which has been henceforth prohibited (Article 1 paragraph 1 and 3 paragraph 5 Law 3833/2010, Article 3 and 6 paragraph 4 Law 3845/2010), and

– with the commitment to adopt and implement concrete measures agreed and undertaken by the Greek Government through the Memoranda of the international loan mechanism of the country, such as:

- the agreement and commitment to the "Memorandum of economic and financial policy[8]" that:

> "In line with the lowering of public sector wages, private sector wages need to become more flexible to allow cost moderation for an extended period of time. Following consultation with social partners and within the framework of EU law, the government will reform the legal framework for wage bargaining in the private sector, including by eliminating asymmetry in arbitration. The government will adopt legislation for minimum entry level wages in order to promote employment creation for groups at risk such as the young and long-term unemployed".

- further agreements and commitments in the "Memorandum of Understanding on Specific Economic Policy Conditionality[9]" that:

> "by the end of the 2nd quarter of 2010 and in order to strengthen labour market institutions "Government starts discussions with social partners in order to revise private sector wage bargaining and contractual arrangements.
>
> "by the end of the 4th quarter of 2010 and in order to strengthen labour market institutions "[...] adopt legislation to reform wage bargaining system in the private sector, which should provide for a reduction in pay rates for overtime work and enhanced flexibility in the management of working time. Allow local territorial pacts to set wage growth below sectoral agreements and introduce variable pay to link wages to productivity performance at the firm level.

[8] See Annex I pg 3.

[9] See Annex I pg 4,7,8

> […] Adopt legislation on minimum wages to introduce sub-minima for groups at risk such as the young and long-term unemployed, and put measures in place to guarantee that current minimum wages remain fixed in nominal terms for three years.
>
> […] Amend employment protection legislation to extend the probationary period for new jobs to one year, to reduce the overall level of severance pay and ensure that the same severance pay conditions apply to blue- and white-collar workers, to raise the minimum threshold for activation of rules on collective dismissals especially for larger companies, and to facilitate greater use of temporary contracts and part-time work."

Thus in all respects enumerated above the Greek government has not fulfilled the country's international commitments as regards the respect of the protective minimum standards of work by initiating, adopting and implementing a set of specific measures of national policy in the context of the international loan mechanism of the country. Specifically, Greece has failed to secure due observance of:

i) ILO Convention No.98 (Article 4)

ii) ILO Convention No. 154 (Article 2, 5, 7, 8)

iii) ILO Convention No.87 (Article 11, 8 paragraph 2)

According to the national institutional framework in force for the last 20 years[10], the minimum standards of wages and working conditions are defined by the E.G.S.S.Es, which are concluded after free collective bargaining between the most representative employers' organizations and the G.S.E.E (that is the most representative unitary organization of all workers employed under private law contracts), while all other types of collective agreements (sectoral, enterprise, professional) cannot include provisions less favourable than those set by the E.G.S.S.E., so that a very important and generally applicable safety net is ensured for all workers without discrimination.

By adopting the above-mentioned legislation, the State not only violates its statutory obligation to respect the collective agreements, but **essentially intervenes with permanent provisions of law in the free collective bargaining system by setting the minimum wages and working conditions in terms less favourable than those provided for by the minimum provisions of the E.G.S.S.E.**

This contradicts directly the Greek government's obligation under Convention No. 98 "to encourage and promote" such a mechanism "with a view to regulating the terms and conditions of employment by means of collective agreements", under Convention No. 154 to refrain from taking inappropriate or inadequate measures that prevent free collective bargaining and the conclusion of collective agreements and under Convention No. 87 "to take all necessary and appropriate measures to ensure" so that the right to organize is freely exercised.

2. The substantial change in the national institutional framework and the non - observance of the international binding minimum standards on wages and conditions of work.

2.1 The non – observance of ILO Core Conventions No. 98, No. 154 and No. 87.

Greece has ratified ILO core Conventions No. 98 by Law 4205/1961 (FEK A' 174), No. 87 by Law Decree 4204/1961 (FEK A' 174) and No. 154 by Law Decree 2403/1996 (FEK A' 99).

Furthermore, the Constitution of Greece explicitly safeguards (article 22 paragraph 2; article 23 paragraph 1) the freedom of association, the right to free collective bargaining and the right to conclude collective agreements, which must be respected, as follows:

> "Article 22: […] 2. General working conditions shall be determined by law, supplemented by collective labour agreements concluded through free negotiations and, in case of the failure of such, by rules determined by arbitration".
>
> "Article 23: 1. The State shall adopt due measures safeguarding the freedom to unionise and the unhindered exercise of related rights against any infringement thereon within the limits of the law".

In addition, the Constitution of Greece upgrades to a fundamental legislative principle, within the framework of the principle of equity, the principle of equal pay for work of equal value according to article 22 paragraph 1, which states that:

> "Article 22: 1. Work constitutes a right and shall enjoy the protection of the State, which shall care for the creation of conditions of employment for all citizens and shall pursue the moral and material advancement of the rural

[10] See below under 2.1

and urban working population. All workers, irrespective of sex or other distinctions, shall be entitled to equal pay for work of equal value".

Law 1876 on "Free Collective Bargaining" that is steadily in force since 1990 is an executive law of the Greek Constitution (article 22 paragraph 2) and constitutes the legislative framework in force regulating free collective bargaining and the conclusion of collective agreements, while it is in conformity with the guarantees of ILO core Convention No. 98 and No. 154.

According to Law 1876/1990, collective agreements, through their scope and field of application, set the binding provisions for terms and conditions of work (article 2 paragraph 1 and article 7). **The National General Collective Agreement (E.G.S.S.E.) as the most important of all collective agreements takes precedence on all statutory provisions for every category of collective agreements. According to these provisions of Law 1876/1990:**

a) **The E.G.S.S.E.s are concluded between G.S.E.E , as the third-level trade union organisation and the most representative or nation-wide employers' organizations (article 3 paragraph 3),**
b) **The E.G.S.S.E.s apply to all workers on Greek territory—regardless of their affiliation to a trade union or not—who are bound by an employment relationship under a private law contract to any employer (Greek or foreign), or to an undertaking, enterprise or service in the public or private sector of the national economy, including workers engaged in agriculture, livestock husbandry and related occupations, and home workers, as well as to persons who, while not bound by an employment relationship, perform their work in a situation of dependence and require protection similar to that enjoyed by employed workers (Articles 1 and 3 paragraph 1a),**
c) **The E.G.S.S.E.s. set minimum standards of wages and conditions of work and are binding uniformly to all employers throughout the country (Article 8 paragraph 1).**

The institutional added value granted to E.G.S.S.E. as a statutory machinery of setting minimum standards for wages and working conditions for the protection of workers, is further reinforced by the provision of article 10 of L. 1876/1990 which regulates the application of rules in case of plurality of collective agreements (governing an employment relationship) for any other category except E.G.S.S.E.,

which provides the base (the minimum starting point) of the collective bargaining process to determine wages and working conditions in enterprises, separate professions and sectors of economy. This institutional system regulating the collective agreements is now abolished by the new provision of article 2 paragraph 7 of the Law 3845/2010. Specifically, Article 10 paragraphs 1 and 2 of the Law 1876/1990 states that:

> "Article 10: 1. Where an employment relationship is governed by more than one collective agreement in force, the agreement containing the terms most favourable to the workers shall prevail. In comparing and opting for the terms to be applied in this case, account shall be taken: (a) of uniformity of remuneration and (b) of uniformity of other conditions".
>
> "2. […] In the event of plurality, sectoral agreements and enterprise agreements shall prevail over occupational agreements".

It should also be emphasized that Law 1876/1990 which wholly regulates, secures and promotes a system of free collective bargaining, is the result of a "Social Pact" endorsed unanimously in 1990 by all political parties in the Greek Parliament and empowered by the consensus of the high level representative employers' and workers' organizations following intense social dialogue. In this context, the law in question has succeeded in creating a fully integrated and balanced system proving its validity, effectiveness and force throughout time.

2.2. The national institutional framework, constituted by the international regulatory protection (ILO core conventions No. 87 and No. 98, article 8 of the International Covenant on the Economic, Social and Cultural Rights) and the settled case-law "shield" on the collective autonomy and the binding force of collective agreements, recognizes as regulator of industrial relations, in parallel with the common legislator, the "occupational" legislator who is the beneficiary of the collective autonomy and it has ascribed binding force on the provisions of the collective agreements. Therefore, workers' and employers' organisations (or the individual employer) exercise, while concluding collective agreements, legislative (regulatory) power, granted by the provision of article 22 paragraph 2 of the Greek Constitution, hence acting as institutions of public authority accorded to them by the State. Consequently the collective agreements, as far as their regulatory part is concerned, do have the binding nature and force of a substantive law.

In the context also of ILO core convention No. 98, through the constitutional provision of article 22 paragraph 2, a limit is imposed on the State's omnipotence on the heteronomous regulation of conditions of work, in the sense that a large portion of its relevant authority is relinquished by being transferred to collective autonomy. Thus an objective limit is set beyond which the State cannot intervene in the "internal affairs" of the parties of the collective agreement, without depriving the State of its constitutional legitimacy to have the co-ordination, the scheduling and the due democratic intervention in the economic life. The definition of the "general working provisions", as well as the field of State's regulation, is limited in this respect also by ILO core convention No. 98 and its article 4 whereby parties have the obligation, if necessary, to take appropriate measures responding to the national conditions, which reinforce and promote in a large scale the development and use of a procedure with which the employers' and workers' organizations can engage voluntarily in negotiations to determine conditions of work by concluding collective agreements. **Therefore, the Greek State has accepted the self-confinement of the state–legislator who after the institutional determination of a framework of general working conditions, should operate only in subsidiarity to the cases where collective autonomy is not functioning. The subsidiarity of state regulation constitutes one of the basic provisions for the enactment of the collective autonomy.**

2.3 As already mentioned, the solid system of setting and defining binding minimum wages and conditions of work through free collective bargaining that has been in place in Greece for the last 20 years has functioned smoothly and effectively establishing not only an institutional "tradition", but a unilaterally respected legal order as well. The safety net provided therein to the minimum standards of wages and working conditions, as standards of minimum social protection for all workers, has been aptly reinforced by legislation hitherto in force stipulating that any other type of collective agreements (sectoral, business, professional) cannot contain provisions less favourable than those of the E.G.S.S.E.

The fundamental institutional role of the E.G.S.S.E. has been recognized during all these years by the Greek Government, which in its regular reports for the implementation of ILO core Conventions No. 98 and No. 154 refers to it as

fixed statutory machinery of determining the minimum standards of work in Greece.

It should also be noted that **the standing of the E.G.S.S.E. concluded through free collective bargaining as a mechanism to set the mandatory minimum wage standards has been accordingly emphasized because it provides a national legitimate guarantee that largely justifies the non ratification by Greece of ILO Minimum Wage Fixing Convention (No. 131) as the provisions of this Convention are adequately met.** Greece, despite the fact that has not ratified ILO Convention No. 131 (or the relevant Convention No. 26 on "Minimum Wage-Fixing Machinery" cannot avoid the comparison between national legislation and practice and these rules and consequently the evaluation of the measures the Greek government adopts even on this base, under the light of ILO core Convention No. 98.

2.4. The payment of work has throughout time provided the major case for collective bargaining and hence for regulation through collective agreements.

The Greek Government, as mentioned above, did intervene in the free collective bargaining process and in the collective agreements already in force to bindingly regulate wages and conditions of work for workers employed in the wider public sector by multiple reductions in their wages (article 3 paragraphs 4, 6 and 8 Law 3845/2010 and article 1 paragraph 5 Law 3833/2010)[11].

[11] The Scientific Committee of Greek Parliament, as already mentioned, in the context of its duties in its remarks on the draft bill of the subsequent Law 3845/2010, as it concerns article 3 paragraphs 4,6,8 and 10 (substantial reductions and cuts in wages in the broader public sector despite the provisions of the relevant collective agreements already in force – substantial reductions in the pensions of all pensioners in all principal social security funds) has pointed out in its Report, without prejudice to the service of the national interest, the following:

> "According to article 1 of the First additional Protocol of the European Convention on Human Rights, which has been ratified by L.D. 53/1974 and according to article 28 paragraph 1 of the Constitution that prevails over any contrary provision of the law, the general rule of the respect of every person's right to property is established. The concept of "property" covers not only property rights in rem, but also all rights constituting assets, as well as acquired pecuniary rights. Thus it includes rights in personam and claims that constitute an asset, by having arisen and having been defined by a court decision or an arbitration award or already having been acquired by national law, as long as there is a legitimate expectation sufficiently established to be enforceable according to the law in force at the time that the case is referred to the Court for a ruling in favour of the right, as well as entitlements to a pension and social security benefits in general. In accordance to the above-mentioned points, it should be highlighted that the reduction or the curtailing of wages or pensions interferes and may result in a breach of article 1 of the ECHR's First additional Protocol by extinguishing the relevant pecuniary property rights. On the other hand, the imposed reductions or cuts in the wages of these workers in contradiction to the binding force of the relevant collective agreements already in force, poses a serious issue of limits on the

Furthermore, under the basic provision of article 2 paragraph 7 of Law 3845/2010[12] the State while in principle preserving the general framework of collective bargaining intervenes in the free collective bargaining process to determine minimum standards of wages and conditions of work in a manner less favourable than E.G.S.S.E. This intervention by the State is effected directly, by regulating the minimum wages for certain categories of workers, but also indirectly by modifying the legislation that concerns the scope and the application of rules in case of plurality of collective agreements.

The intervention of the State in the collective autonomy by the adoption and imposition by the Greek Government of permanent "structural" measures with the invocation of the national interest alongside the obvious violation of the principles of proportionality and the necessity of moderation, has resulted in considerably weakening the fundamental institution of the E.G.S.S.E. and in the less favourable regulation of the minimum standards of work in a way that is detrimental to all workers.

The scope, the effect and the wider implications of this intervention should be appraised in conjunction with the widespread precariousness in the labour market, the considerable volume of unregistered and/or flexible work and the steadily increasing unemployment that render applicants for work more vulnerable inducing involuntary acceptance of reduced working rights and/or excessively flexible job positions.

Such an intervention furthermore should be assessed by also taking into account the broad authorization—without the clarity required by the State's Rule of Law—to further regulate crucial terms of work included in Law 3845/2010 and the Memoranda on the required measures for the implementation of the international loan mechanism of the country (e.g. the increase of the minimum threshold for collective dismissals,

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State's interference in collective autonomy, in the free collective bargaining procedure and in the conclusion of collective agreements as established by the Greek Constitution and the ratified ILO Conventions. Finally, it is repeated that the provisions of law, that bring in force the measures for the protection of the national economy, are bound by the limit imposed by the principle of proportionality and the necessity (of the measure), as well as the principle of equity and the certainty of law".

It is noted that relevant views and positions are expressed by the Greek Court of Audit (supreme fiscal auditing court) in its Opinion of May 4th, 2010 and are repeated by the Parliament's Scientific Committee in its Report on the draft Bill of Law 3847/2010, according to its provisions stipulating that all the permanent reductions or cuts in wages and pensions in the public and broader public sector are generalized.

[12] But also with the provisions of article 2 paragraphs 6 and 9 points e' – f' of Law 3845/2010, as well as with the provision of article 75 paragraphs 8 and 9 of Law 3863/2010 (see above under I. 4 point 1 of our observations).

reduction of severance pay, State determination of the minimum standards of wages and working conditions for young workers up to 25 years old, the reduction on the sum unemployment benefits).

Moreover, the same Law 3845/2010 stipulates significant increases in all types of VAT triggering substantial increases in the prices of consumer goods, fuel and public utility services accompanied by a marked inability to hold at a reasonable level the prices of basic everyday goods and general utility services (e.g. electricity, water supply, transportation). **These obviously disproportionate measures that are detrimental for workers disempower and render them more vulnerable vis-a-vis the combined spill–over effect of lay-offs, wage freezes and the abolition of the minimum standards of wages. Such measures annul the State's fundamental obligation to provide and protect decent work, violate the core of individual and social rights and endanger social peace and cohesion.**

The argument pertaining to the necessity of the imposed austerity measures advanced by the Greek Government cannot be extended to the point of violating the core of individual and social rights, as "necessary" should denote the sense of measure and moderation considered essential, applicable and suitable for a democratic society that respects and secures the value of the human being as well as the principles of equity, decent work and collective autonomy.

There is furthermore **no reasonable relationship nor a quantifiable economic result between the extent, the intensity and the duration of such restrictions in the private sector of economy** adopted and implemented by the Greek Government to the detriment of collective autonomy, collective agreements and workers' rights and the pursued goal, which is primarily to ensure the fiscal discipline required to address the country's sovereign debt and budgetary deficit problem, the implementation of the stability program and the re-establishment of trust to Greece vis-à-vis its European partners and the global financial markets. The unjustified policy of uneven austerity implemented by the Greek government at the expense of workers that aspires to hold down wage costs weakens, however, the entire process of free collective bargaining and minima contained in the E.G.S.S.E.s. Even if in the future the Greek Government were to take measures for the socially vulnerable groups, these measures would not suffice to address and restitute the irreversible damage done to workers' occupational and

economic interests from the radical reversal in the minimum standards of wages and working conditions, particularly so for the most vulnerable groups of workers.

Furthermore as the economic and income policy is defined on a yearly basis, the reduction or the non–regular readjustment of provisions of work and especially wages results not only in the real reduction of the wage itself but also in "freezing" workers' pay and in the ensuing permanent reduction of their real income. Notably, according to data by the Labour Institute of G.S.E.E., the freeze in wages will diminish the purchasing power of lower wage categories back to the levels of 1984. The major implication, among others, is the refutation of the subsistence function of the wage compounded by the grave impact on the country's economy that depends on domestic demand: the ability of the population to consume.

It should be further noted that the level of wages in Greece does not constitute a competitive disadvantage but rather an advantage for the businesses operating in the country, a fact recognised by the representative Greek employers' organizations[13] whose leaders have recently expressed the opinion that the wages in Greece are not high. Indeed the view is commonly held that, as grounded in the general national collective bargaining to conclude E.G.S.S.E., the national system of collective bargaining is well balanced and protects the healthy competition between businesses by not allowing the acquisition of competitive advantages through competing to compress ad infinitum the wage cost.

The aim of collective autonomy as well as of freedom of association is the preservation and promotion of the economic and working interests of the workers. **The realization of this objective is now significantly hampered by the intervention of the State, as:**

- **there is no respect and observance of the collective agreements**
- **the conclusion of the collective agreements is either prohibited or not possible, or their role is limited, and**
- **consequently the intention of the workers to be members of trade unions is seriously affected as the trade unions' bargaining power is weakened.**

[13] The National Confederation of Hellenic Commerce (E.S.E.E), the Hellenic Confederation of Professionals, Craftsmen and Merchants (G.S.E.V.E.E.) and the Hellenic Federation of Enterprises (S.E.V.)

2.5. The disempowerment and the effective abolition of the mechanism to set minimum standards of work through the General National Collective Agreement (E.G.S.S.E.) have multiple, spill-over primary and secondary effects, which result in the non-observance of and disrupt the application of further ILO Conventions including Conventions No.81, No.95, No.100 No. 111, No.122, No.138, No.150, No. 156.

Indicatively the following harmful effects are noted:

i) on the due implementation of ILO Convention No. 150[14], caused by the disempowerment of the worker's position in the labour market, that will also lead to a sui generis competition at the level playing field and the minimum standards of work in the private sector, since in practice the E.G.S.S.E. will have limited implementation[15].

As it has already been mentioned, the provisions of Law set in force through permanent clauses, substantially abolish the principle of subsidiarity of the State regulation, outlined in article 3 of ILO Convention No. 150 and ensured by the Greek Constitution (article 22, paragraph 2), as it concerns the hitherto granting of the authority to regulate the minimum standards of work to the E.G.S.S.E. after free collective bargaining. The G.S.E.E. is substantially disempowered as regards its negotiating status and

[14] ILO Convention No 150 was ratified by the L.D. 1546/1984 (FEK A' 94)

[15] The Scientific Committee of Greek Parliament, in the context of its above-mentioned institutional duties, on its remarks on the draft Bill of the subsequent Law 3845/2010, as it concerns article 2 paragraph 7 (weakening and abolition in substance of the (until today) solid machinery of setting minimum standards of wages through the E.G.S.S.E. after free collective bargaining, and abrogation of the principal of the most favourable provision in case of plurality of collective agreements) has pointed out in its Report the following:

> "In the suggested provision, **which has not a limited duration**, **a proper limit is not foreseen, as it concerns the extent of deviation of the rest of the collective agreements (sectoral, professional, enterprise) from the minimum standards of wages and working conditions of the E.G.S.S.E.s.** This has as result to give from now on the possibility to all the other categories of collective agreements to set varied amounts of payment and **thus refer the issue of the minimum wages solely to the correlation of bargaining power, without any protective guarantee.** In the legislative framework in force until today, the minimum protection is safeguarded by the collective autonomy through the conclusion of the E.G.S.S.E., **which ensures exactly that wage which will not be affected at all by the fluctuations of offer and demand,** as well as also **from the correlation of bargaining power between the collective parties of the labour market**. In addition, this provision, with which a general minimum standard of wages and conditions of work is abolished, **raises an issue of violation of the Greek Constitution** as it concerns the respect of the principal of proportionality, as well as the principle of state of social welfare and the social right to decent work with fair terms". (emphasis added)

power, the minimum wage is referred exclusively in correlation of the bargaining strength without any protective guarantee and the workers become more vulnerable vis-a-vis the pressure to accept less favourable terms of work.

ii) on the due implementation of ILO Convention No. 122[16], which imposes the effective protection and promotion of full, productive and freely chosen employment without discrimination, in combination with economic and social targets and following substantial consultations with workers' representatives, in order to take into full consideration their experience and views.

The provisions of the above-mentioned Laws (N. 3833/2010 and 3845/2010), did not constitute a topic of social dialogue, but were forwarded to the Greek Parliament for adoption with urgent procedures. A social dialogue process, concluded in March 2010, concerned only the drafting of a Bill (subsequent Law 3846/2010) on "Guarantees against work insecurity"[17]. During this social dialogue, however, neither information nor consultation occurred as regards the above-mentioned measures, even though the country was already under pressure due to the economic crisis. On the contrary, **at that time**, the Government, via the Ministry of Labour and Social Security, **confirmed** the need to protect workers through the strict observance of the institutional framework in force concerning the collective agreements, and especially the E.G.S.S.E. that sets the minimum standards of wages and conditions of work of all workers in the Greek territory and protects them from any arbitrariness by employers'. It should be noted that the intense pressure of the employers' organizations during this particular social dialogue did lead to significant and substantial changes in their favour on the initial context of the draft Bill of the subsequent Law 3846/2010, which contains measures for all the forms of flexible employment[18]. The outcome was that this particular Law, despite efforts

[16] ILO Convention No 122 was ratified by the L.D. 1423/1984 (FEK A' 29).

[17] Law 3846/2010 "Guarantees against work insecurity and other provisions" (FEK A' 66).

[18] Provisions on part-time work, subsidized short-time work, telework, suspension of workers, temporary agency work, remuneration of the illegal employment on the 6th day in cases of five-day work, working time arrangements etc.

to improve the institutional framework, did not respond adequately to its initial aim, which was combating work insecurity[19].

Law 3863/2010 constitutes a further elaboration of the commitments to adopt specific measures of policy already undertaken by the Greek Government and agreed upon in the Memoranda for the implementation of the international loan mechanism, in which there is no room for improvement, as the Government repeatedly stated. Having regard to a) the fact that G.S.E.E. was initially acquainted with a draft Presidential Decree[20] and afterwards with the draft Bill of the subsequent Law 3863/2010, b) the pressing need to adopt and implement immediately this Law and c) the almost non-existent room for due consultation, it is obvious that the Government did not respond to its obligation to conduct proper social dialogue and consultation and that it failed to secure the due implementation of ILO Convention No. 122, which provides for taking full notice of the views and the experience of the workers' representatives when formulating employment policies. In this light, the ultimatum sent to G.S.E.E. by the Ministry of Labour and Social Security to the effect that in a very short period of time either the social partners decide unanimously on the issues in question or there will be an immediate adoption of the measures (that affected substantially workers' rights) as they first stood in the draft Bill, does not indicate the political will and the commitment to engage in social dialogue in good faith nor does it manifest a sincere intention to take into account the G.S.E.E.'s views on the significant matters included in the Draft Bill of the subsequent Law 3863/2010. Regrettably, references to social dialogue and consultation in the Memoranda[21] in reality rather designate a pretextual process of dialogue on foregone conclusions and binding commitments and stipulations that are already part of the national legislation.

It should also be noted that as the provisions on industrial relations included in Law 3863/2010 relate to a host of priority issues of concern to the G.S.E.E. as declared early in 2010 in the context of the collective bargaining to conclude the new E.G.S.S.E. with the aim to protect the workers during the

[19] The views of the social partners are reflected also in the Opinion No. 233/2010 of the Economic and Social Council of Greece.

[20] See above under I. 4.

financial crisis, there has been an undue delay, on the employers' side, until the adoption of this Law to conclude the E.G.S.S.E.(July 15, 2010), so that employers could benefit from provisions of this Law such as the increase in the threshold for collective dismissals, the reduction in severance pay, the reduction in pay rates for overtime work, the reduction of young workers' wages, etc.

A summary procedure was noted also in the referral on 25.06. 2010 of this critically significant draft Bill, to the Economic and Social Council of Greece[22] (hereinafter ESC) in order to express its Opinion. The ESC in its Opinion No. 241/5-7-2010, states that:

> *"This Law did not constitute an issue for social dialogue or consultation despite the fact that it intervenes in the context of collective agreements by undertaking, for example, the international obligation to freeze the wages in the private sector.* The Draft Law was sent with *delay to ESC, thus depriving the adequate time frame for proper consultations,* required by the critical dimension of the matters regulated. To be noted is also the haste of the Government to include summarily the measures on industrial relations in the present draft Bill together with the social security issues, despite the fact that the time commitment stipulated by the 2 Memoranda is set for the beginning of the social dialogue in June 2010 while *the commitment to adopt legislation in December 2010"*. (Emphasis added)

It is, therefore, obvious that the Greek Government did not pursue the conduct of a real and substantial social dialogue that could promote alternative and more acceptable solutions and proposals as repeatedly advanced by G.S.E.E. or other social partner organisations regarding, among others, the social dimension and the long-term effectiveness of measures to lead out of the financial crisis. The pressure that accompanied the imposition of the legislation in question cannot in any way retract or diminish the need to maximise social cohesion and mutual understanding. On the contrary, the urgency, the scope and the impact of the measures accentuate the need to pursue the maximum

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[21] See Annex I, pg. 4, 7.

[22] According to the Greek Constitution (article 82 paragraph 3), the Economic and Social Council of Greece (ESC) has the competence to conduct social dialogue on the general policy issues and in particular on the directions of the economic and social policy, as well as the responsibility to elaborate Opinions and own-initiative Opinions on Bills and Law Proposals. The Greek ESC was established in 1994, in conformity to the standards of the European ESC, which is based on the tripartite distribution of represented interests in three groups: the employers-entrepreneurs, private and public sector employees

legitimisation of the legislative power and emphasize the importance of substantial social dialogue.

iii) **on the due implementation of ILO Convention No. 95[23], which imposes the effective protection of wages?** According to article 41 of Law 3863/2010, claims by Social Security Institutions are upgraded, without further distinction, to the same rank of privilege as the workers' claims. Thus both groups of claims are now considered equally and proportionally as privileged credits, with regard to their right to be paid out of the assets of the insolvent employer. Notwithstanding that Social Security Institutions' claims in relation to other ordinary creditors should in principle be provided with better priority than the one hitherto granted, their equal and unconditioned appointment as privileged credits at the same rank as workers' claims, does not correspond to the State's obligation to secure full payment of workers' claims that derive from their employment, before other ordinary creditors establish any claim to a proportionate share of the employer's assets[24]. The obligation of the State to provide for the protection of workers' claims by effective means of a higher privilege rank than most other privileged claims, and in particular those of the State and the social security system, according also to ILO Convention No. 173,[25] constitutes an international minimum standard, which must be respected.

iv) **on the effective protection of workers' claims, especially the severance pays due to workers upon termination of their employment.**

The national legislation in force for the last 90 years on the amount of the severance pays reflects a balanced relationship between the managerial

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and one for the other categories to represent society at large e.g. farmers, self-employed persons, local government and consumers. (see www.oke.gr).

[23] ILO Convention No 95 was ratified by the Law 3248/1955 (FEK A' 138).

[24] According to the provision of article 975 of the Code of Civil Procedure, the privilege of workers claims with dependent work contracts covers only the claims of the last 6 months. The provision of article 41 of Law 3863/2010 introduced an equal privilege (to the workers' claims) for the claims of the Social Security Institutions regardless of the time that they have risen, resulting in practice in exhausting the liquidation assets to the detriment of the full settlement of workers' claims. After all, the non payment of the social security contributions constitutes also a criminal offense for the debtor employer (article 1 C.L. 87/1967). Moreover debts to social security funds also enjoy another privileged treatment in relation to worker's claims, because of the different limitation period for their claim and other ways of compulsory collection based on the Public Revenue Collection Code.

prerogative of employers on the one hand and the constitutional principles of the social welfare state and the social right for decent employment on the other. In Greece, the increase in the amount of the severance pay in accordance to the years of service is counterbalanced by the fact that the termination of an employment contract of indefinite time is unjustifiable, meaning that is a freely exercised right by the employer which is constrained only if it relies on abusive motives by the employer. Through the provision of article 75 paragraphs 2 and 3 of Law 3863/2010 (beyond the significant increase in the permitted limit of the collective dismissals in paragraph 1 of the same article) workers now suffer a double blow with regard to their personal protection as well as the protection of their wages' in case of dismissal[26]: On the one hand, dismissal is facilitated by the reduction of notice periods and the reduction by half of severance pay and on the other severance pay—the wage remuneration that offsets the loss of their job position—is no longer paid out at the time of the dismissal, but partially in bi-monthly instalments each corresponding to two months wages[27].

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[25] Greece has not ratified ILO Convention No 173 (1992) for the protection of the workers claims in case of employer's insolvency.

[26] These provisions should also be taken into account under the light of a) article 1 of the First Additional Protocol of the European Convention on Human Rights, since there is an issue of violating existing (acquired) property rights of workers according to legislation in force, given that the amount of the severance pay depends on the years of service, b) Article 4 of ILO Convention No 158 (not ratified by Greece) whereby the justified termination of employment is introduced as a means of protecting the worker from illegal and unjustified dismissals. Furthermore, according to the Draft Bill forwarded by the Ministry of Labour and Social Security for the ratification of the Revised European Social Charter (RESC), Greece by exercising the right provided by the Chart not to ratify all of its articles, does not proceed to the ratification of article 24, which also refers to justified termination of employment.

Concerning the draft Bill on the ratification of the RESC, both the Economic and Social Council of Greece with its Opinion No 241/201, and the National Commission of Human Rights with its decision of the 10th-06-2010, state that the ratification of the Revised Charter introduces a step forward to social progress. They both express their serious reservation on the achievement of social progress during the current financial and political situation, due mainly to the fact that Greece has entered in the "loan mechanism" of the European Commission, the European Central Bank and the International Monetary Fund. In this context, the country has undertaken commitments, due to which the social rights are limited, i.e. the revision on minimum wages and the introduction of sub-minima. These regulations clearly contradict not only the European Social Charter but also the Revised European Social Charter, as well as the "social acquis" secured by the national legislation within the framework of the Greek Constitution. In addition, both parties note that minimum standards of wages should not be regulated by the State when they can be set with collective negotiations and they recommend to the State the ratification, among others, of article 24 which refers to the justified termination of employment.

[27] The rule in the national law is that the severance pay should be paid out (fully) at the time of dismissal. The exception that was formerly in force on the possibility of partial instalments of the severance pay when the amount exceeds 6 months wages, with the direct payment of the amount corresponding to 6 months and then in quarterly instalments, is abolished by the provision of article 75 paragraph 3 of Law 3863/2010.

The granting of this choice to partially pay a significantly smaller amount does not take under consideration the critical survival function of the severance pay for workers and their families to meet basic every day needs, nor does it ensure the payment of workers' claims in case the employer becomes insolvent during the period where the partial payment occurs or the employer's financial situation cannot allow the payment of workers' claims or the employer, in bad faith, would not pay the worker. In addition it substantially hinders the dismissed worker's effective access to justice and judicial protection, since according to the national legislation in force, workers can exercise their right to seek the annulment of the dismissal before Court exclusively within three months, otherwise they lose this right of action. In order for a dismissal to be valid, the employer, on the same day that the dismissal occurs or at the end of the notice period, must not only hand to the worker the dismissal in written form but also pay out the full severance pay due to him/her. Consequently, with this new provision on the partial payment of the severance pay in small bi-monthly instalments, not only the pay-off of the worker becomes uncertain and precarious, but also his/her fundamental right to effective access to justice is substantially weakened. Finally, to be noted is the further reduction in the level of social security protection of the workers who lose their work, also required by the ILO Convention No.102, due to the commitment of the Greek Government to adopt measures to reduce by means-tested criteria the already low unemployment benefit by the end of 2011 in compliance with the obligation of fiscal adjustment that undertaken with the Memorandum of Understanding on Specific Economic Policy Conditionality[28].

v) on the due observance and implementation of ILO Convention No. 138[29], resulting from the reduction in the protection level for minor workers 15-18 years old following their explicit exclusion from the scope of the minimum standards protective institutional framework and also of young workers up to 25 years old.

[28] See Annex I pg 8.

[29] ILO Convention No 138 was ratified by L.D. 1182/1981 (FEK A' 193).

The inclusion in the scope of the minimum standards of wages, as defined each time by the E.G.S.S.E of the young blue and white collar apprentice workers who have reached 15 years of age, constitutes since 1990 a permanent provision of regulation and context of the E.G.S.S.E., which provides that:

> "The above-mentioned gross minimum standards of wages shall apply respectively for the apprentice blue collar and white collar workers who have reached their 15 year of age, according to their hours of employment"[30].

The invocation of the public interest cannot legitimize the abolition of the fundamental constitutional obligation of the State to protect children and young workers, effected by invalidating the safety net of their minimum standards of work, which is also provided by ILO Convention No.138. Additionally, the deregulation of the existing minimum protective legislative framework, the absence of adequate guarantees and deficient inspection mechanisms will have multiple, parallel and collateral side effects harmful for young workers entering the labour market. Regrettably the misdirected aim to increase their employability rather than their access to decent, equal and stable employment will render young and minor workers crucially more vulnerable to economic exploitation and ultimately push them to social marginalization.

After all, the State, under its obligation imposed by the Greek Constitution (article 22 paragraph 1 and article 4 paragraphs 1-2) to protect the right for equal and fair payment, in order to ensure to all workers a decent level of living, should not allow any violation and also abstain from introducing unfair treatment related to the minimum standards of wages and conditions of work. The introduced discrimination that is based on age (15-18 years old and 18-25 years old), would have been permissible only if it objectively aimed to protect the interests of vulnerable age groups and not operate against them by diminishing the generally provided and binding minimum standards of wages and conditions of work.

[30] Similar provisions in E.G.S.S.E. of the years: 1990 article 1 point c', 1991-1992 article 1 point c', 1993 article 1 para. 2 point c', 1994-1995 article 1 para. 2 point c', 1996-1997 article 1 para. 3, 1998-1999 article 1 point c', 2000-2001 article 1 point c', 2002-2003 article 1 point d'.

It should also be noted that the granting of social security contributions by O.A.E.D, referred in the law, is not at all guaranteed as this organisation currently faces dire financial circumstances that put to test the coverage of benefits and allowances in the context of its statutory duty while it should be noted that under the provision of article 42 of Law 3863/2010 the revenues attributed to O.A.E.D from 2011 and on are to be reduced[31].

vi) **on the due observance and implementation of ILO Conventions No. 100, No. 111 and No. 156[32] in the light of the fundamental principle of equality between men and women in employment** and the excessive increase of direct and mainly indirect discriminations in payment and conditions of work, but also multiple discrimination against women and generally workers with family responsibilities.

Since 1975, the National General Collective Agreements, due to their uniform application to all workers, men and women, have provided a fundamental institutional guarantee of equality between men and women as regards minimum standards of wages and conditions of work and contributed significantly to restraining the gender pay-gap in Greece.

The financial crisis, the growing volume of the informal sector of the economy combined with the implementation of austerity measures that excessively favour flexibility and insecurity in the labour market, as well as the weakening of the protective framework of the labour law, will have adverse direct and spill-over effects:

- on the negotiating power of women workers (in particular mothers and/or older women and/or the migrant women and on workers with family responsibilities as regards their terms of employment and the type of work contract).
- on the over-representation of women and the workers with family responsibilities in precarious low paid jobs.

[31] For this provision, the employers' organizations expressed also their reservations, as mentioned in the Opinion No. 241/05-07-2010 of the Greek ESC.

[32] ILO Convention No 100 was ratified by Law 46/1975 (FEK A' 105), ILO Convention No 111 was ratified by Law 1424/1984 (FEK A' 29), ILO Convention No. 156 was ratified by Law 1576/1985 (FEK A' 94).

- on motherhood and generally in the upbringing of children compounded by the economic insecurity and precariousness workers already experience.
- on proper parenting, especially during the child's first years of life due to the confirmed unavailability of adequate public childcare structures and facilities.
- on increasing the burden of family responsibilities in employment and by consolidating stereotypes on the role of women in family and work, as a result of uneven sharing of child care responsibilities and the care for the elderly family members.
- on the excessive increase of multiple discriminations based on gender and/or ethnic or racial origin, and/or age and/or family responsibilities and/or disability[33] etc., thus increasing the risk of social exclusion.

vii) on the due observance and implementation of ILO Convention No. 81[34], which imposes to the State the obligation to ensure the effective operation of Labour Inspection for the effective protection of the rights of the workers.

The radical reforms in industrial relations legislation have been implemented, before ensuring the reinforcing guarantee of the Labour Inspectorate's supervising functions and responsibilities, as well as guarantees for sufficient numbers of qualified inspectors and the required infrastructure (e.g. office and transport facilities, adequate means of communication and record-keeping) as well as budgetary resources needed for the provision of effective inspection services[35]. It should be also noted that the G.S.E.E., while

[33] These risks are noted in the letter by the National Confederation of Disabled Persons (No 2059/28-6-2010) to the Greek Parliament, where, among others, it is also mentioned that:

> "As regards industrial relations' issues, we ascertain that there is no provision for the protection of disabled persons from dismissals, despite the fact that disabled persons are the first to be dismissed and the last to be employed during periods of economic downturn. The same applies to the lack in protection for parents (biological, step or foster parents) of disabled children. In addition, there is no care for protecting job positions for disabled persons that are near retirement or for disabled persons that enter for the first time the labour market". (www.esaea.gr)

[34] ILO Convention No 81 was ratified by Law 3249/1955 (FEK A' 139),

[35] The guarantee provided by sufficient qualified inspectors, adequate infrastructure and budgetary resources needed for the provision of effective inspection services are steady demands of the trade unions that represent the labour inspectors, as expressed e.g. in the joint letter (January 21, 2010) of the Federation of Labour Ministry employee Unions and the Labour Inspectors' Organisations, which refers

participating in ongoing work of the legislative drafting committee of the Ministry of Labour and Social Security on the reform of Labour Inspectorate Body (S.EP.E) has repeatedly expressed its views on the proper functioning of S.E.P.E. and on the measures urgently needed to enhance its operational capability and ensure the unobstructed, efficient and effective performance of its duties[36].

viii) on the substantial destabilisation of the legislative employment framework and in particular the framework that complies with the Directives of the European Union where the provisions of the E.G.S.S.E. (especially as regards wages) constitute minimum standard of protection of all workers employed in the Greek territory as exemplified by the following Laws: Law 3844/2010 for compliance with Directive 2006/123/EC on the free movement of services in the

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to the understaffing of the under-equipped Labour Inspectorate with ,under-trained and underpaid employees and states their views on the improvement and the modernization of Labour Inspectorate.

[36] GSEE's views are summarized as follows:

- increase in the number and immediate recruitment of labour inspectors properly qualified in accordance to the law, in the competent central and regional departments of the Ministry of Labour and Social Security. The lack of appropriate staffing has a direct substantial effect on the efficient and effective treatment and protection of workers' violated rights. **It should be mentioned that according to the provisions of articles 10 and 11 of Law 3833/2010, several measures are introduced that relate not only to wage reductions but also to important restrictions in personnel recruitment in the public Sector for the next three years, including organisations and institutions under the authority of Ministry of Labour such as the Labour Inspectorate Body (SEPE), the Manpower Employment Organization (OAED) etc;**
- effective reorganization of the structure of SEPE so that it can cover efficiently the entire country, with sufficient and adequate means of transportation, to enable frequent workplace visits and comprehensive inspection
- Ensuring sufficient and adequate infrastructure and equipment for labour inspectors (steady internet connection in the premises, accessible legislation & case-law data bases and, network between the departments throughout the country for effective collaboration etc), a general observation also made by ILO Committee of Experts on the Application of Conventions and Recommendations;
- Cooperation and collaboration between the labour inspection services and other public institutions with inspecting duties;
- Sufficient budgetary resource levels for the Labour Inspectorate. There is widespread concern that labour inspection services are not able to carry out their role and functions. They are understaffed, under-equipped, under-trained and underpaid. Scant transport and travel budgets, inadequate means of communication and record-keeping also hinder their capacity to perform inspections and take the necessary follow-up action. The squeeze on labour inspection resources can also put severe strain on the professionalism, independence and impartiality of inspectors.
- Rapid and fair delivery of justice and reduction of Courts' workload, by granting to Labour Inspection the competence to resolve and settle the individual work disputes and impose effective sanctions, a general observation also made by ILO Committee of Experts on the Application of Conventions and Recommendations;

internal market, Law 3488/2006 for the compliance with Directive 2002/73/EC on the implementation of equal treatment as regards access to employment, vocational training and promotion, Presidential Decree 219/2000 for the compliance with Directive 96/71/EC on the posting of workers in the framework of the provision of services, Law 2956/2001 and Law 3846/2010 on the provisions of temporary agency work in compliance with Directive 2008/104/EC etc.

ix) **on the deterioration of wages and working conditions in flexible forms of employment,** such as e.g. in (sub) contracted labour, that aggravate the existing significant problems, given the fact that Greece has not yet ratified ILO Convention No. 94 and taking into account that the E.G.S.S.E. contains the only existing minimum standards of wages and conditions of work to protect workers employed in (sub)-contracted labour from abusive practices.

x) **on the deterioration of wages and working conditions in other categories of workers that are excluded (wholly or partially) from the protective scope of the labour law (e.g. domestic workers, persons working in agricultural undertakings etc).**

xi) **on the deterioration of wages and working conditions of workers employed in other sectors of economic activity,** such as seafarers, due to the horizontal and inexplicit wording of the relevant provisions of law, especially the one of article 2 paragraph 6 of Law 3845/2010 which refers to the payment of young unemployed workers up to 25 years old with different standards of wages in all the sectors of economic activity in the private sector and in the public sector as well.

Greece's commitments to its international creditors cannot provide sufficient justification or a sound argument for the restriction of fundamental rights that are protected by the Greek Constitution and by International Conventions, which are binding to the country and contain the protective minimum standards of work for all workers in the global community. The invocation of the Memoranda on the implementation of the international loan mechanism cannot in any way justify the elimination of minimum protection of work.

An exit policy from the economic crisis should not solely be a fiscal package of accounting measures but should also ensure social protection and safeguard social cohesion through inclusive democratic processes and aim to steadily improve living and working conditions. Social goals that include decent employment enhanced by equality, social inclusion, social protection and progress, cannot but be intrinsically connected to economic aims and are of decisive importance for the effectiveness of the economic aims. Economic coherence depends on the social cohesion. The drastic deregulation of industrial relations in any country cannot contribute to economic development, but it can potentially lead to a collapse of social cohesion.

The G.S.E.E. is fully aware of the seriousness of the country's financial situation. However, any exit policy, to be effective, must unavoidably be drawn up and implemented under the light of the fundamental values and human rights that integrally and interdependently include social rights. Instead of promoting growth, stability and employment the exit strategy imposed in Greece will lead the country quicker in deep recession and poverty by the critical disempowerment of workers and pensioners resulting from substantial wage and pension cuts and diminishing rights followed by rising unemployment, the expansion of poverty and deepening inequalities that are detrimental to social cohesion.

In this context, **every measure or mechanism of "economic governance"** such as the international loan mechanism of the Greek economy **must indispensably include social clauses** obligatory to the countries that implement it, while the relevant supervising mechanism **must include the participation also of officials with competence in employment, social affairs and equal opportunities, as well as fundamental rights.**

The G.S.E.E., detecting the grave dangers inherent in these policies as well as in the pressure of the financial markets not only for Greece but for other countries as well, believes that for national economic policies to be successful with a guarantee of recovery, growth and decent work as the Greek Government—and indeed every government threatened by the economic crisis—rightly desires, ensuring social justice and fundamental human rights of citizens is a prerequisite.

3. <u>Conclusions</u>

3.1. The G.S.E.E. believes that Greece fails to secure the due observance of core ILO Conventions Nos 98, 87 and 154 and by result ILO Conventions Nos 81, 95, 100, 111, 122, 138, 150, 156 as well as their respective guarantees, for the following reasons:

Due primarily to the provision of article 2 paragraph 7 of Law 3845/2010, as well as to other measures of permanent character referred to in parts I and II of our Observations, and as a result of all further obligations undertaken by the government for the implementation of the above measures, the State intervenes in the solid system used for decades to set through free collective bargaining, minimum standards of wages and conditions of work, and does so in a manner less favourable than the National General Collective Agreement (E.G.S.S.E.) directly, by deviating the E.G.S.S.E. and regulating unilaterally the minimum wages, but also indirectly, by modifying the hitherto existing legal provisions as regards the scope and the application rules in case of plurality of collective agreements.

Furthermore, the State intervenes in the content of the collective agreements, by undertaking an international obligation for the adoption of measures to freeze wages in the <u>private sector</u> of the economy: an obligation with no straightforward causal relationship to resolving the country's fiscal problem. Thus:

a) **the obligation of the Greek government to take all appropriate and adequate measures to promote and protect effectively the process of free collective bargaining and its results, as manifested in the content of collective agreements and in particular those that relate to minimum standards of work, stands violated. This obligation is also undertaken by the participation of the Greek government in the drafting and acceptance of ILO Global Jobs Pact (2009), whose fundamental principles and values must be safeguarded without deviation by the ILO, in order to protect vulnerable social groups not only from the introduction of restrictive and unfair measures during recovery from the economic crisis, but also from any direct repercussion in their living standards resulting from such measures.**

b) **the obligation of the Greek State to take all the necessary and adequate measures to ensure the free exercise of the right to organise, is violated, because the imposed measures:**

   – **have a serious impact and damage the G.S.E.E.'s trade union action and function, that is primarily realised through the conclusion of the E.G.S.S.E. and the implementation of its provisions, which determine the uniform minimum standards of protection of all workers in the Greek territory, resulting further in the reduction of the protection level and in the erosion of labour rights of workers whom our organisation, in accordance with its statutes and the national legal framework, represents;**

   – **influence negatively the intention of workers to join and be members of trade unions, while the bargaining power and the role of trade unions to protect and promote workers' economic, labour and social security rights is seriously weakened;**

c) **the fundamental principle of the national, European and international legal order that establishes the "social acquis" is violated in practice with restrictions imposed on the collective autonomy and the freedom of association.**

3.2. The G.S.E.E. believes that the economic arguments attached to the implemented national policy of fiscal consolidation and adjustment cannot in any way justify the intervention of the State in the enactment of workers' fundamental rights, nor the failure of State to observe in practice its obligation to respect the international minimum standards of work that are binding for the country.

We believe that the Greek Government may have gone well beyond what might be considered as a necessary and acceptable limit imposed by the respect of fundamental rights of workers, because these unilateral measures taken to the detriment of workers[37]:

- **place forbidden statutory limitations on the collective bargaining structure and on the conclusion of the E.G.S.S.E., that have soundly served for**

[37] The observations mentioned below were adopted by majority also by the No 241/2010 Opinion of the Economic and Social Council of Greece.

decades in the national legal order as a solid and effective mechanism for setting minimum wages and conditions of work;

- **are not imposed for an explicitly defined and limited period of time but are permanent, notwithstanding that the stability plan is defined by a precise and specific time frame and duration;**
- **are neither proportionate nor adequate and have been adopted without examining sufficiently other well-weighed and more appropriate alternatives;**
- **are not quantifiable and there is no perceivable causal relationship between the extent, the strictness and the duration of the imposed restrictions and the pursued aim, which is the implementation of the adequate measures of fiscal policy, the implementation of the stability program and the re-establishment of trust to Greece by its European partners and the global markets;**
- **are not accompanied by adequate and concrete safeguards and guarantees that could protect the living standard of workers and reinforce the ability of vulnerable groups in the population to address the combined direct impact of the economic austerity measures with the multiple, spill-over and collateral side-effects of the economic crisis;**
- **are unjust and discriminatory at the expense of workers, especially the most vulnerable;**
- **they are most likely irreversible as there is no explicitly written or verbally stated commitment regarding the reconsideration or restitution of the reversed rights should the financial and economic situation of the country improve;**
- **they have had a serious and direct adverse impact on the collective negotiations that began in January 2010 for the conclusion of the new E.G.S.S.E., during which G.S.E.E.'s bargaining position was considerably disempowered vis-à-vis employers' organisations. Furthermore ongoing collective negotiations for the conclusion of other categories' collective agreements have been adversely affected as the employers' side was granted**

the negotiating advantage to press for less favourable provisions, than those hitherto regulated by the binding minimum standards of the E.G.S.S.E.

In this context, the permanent and unilateral restrictions on the binding force of the E.G.S.S.E.s have, without due justification, destabilised the system of labour relations, deprived us of a fundamental right and restricted our access to crucial means of protecting, furthering and defending the economic and social interests of our members.

III. Greece's non–observance and the application of the fundamental minimum standards provided by ILO Convention No. 102.

1. Reforms in the Social Security System and the pension rights of workers.

On July 8, 2010, amidst strong opposition, Law 3863/2010 (FEK A'.115) titled "New Social Security System and related provisions-Regulations on Industrial Relations" was adopted by the Greek Parliament. This Law, among others, introduces measures on:

1) The establishment of a basic (welfare) pension funded by the state (€ 60) by 01.01.2015 and a retributive pension by 01.01.2015 financed by the budget of the Social Security Funds (contributions of employees and employers) (Article 1);

2) The payment of the basic pension for a 12 month period whereas hitherto pension benefits corresponded to contributions that had already been paid and were based on a period of 14 months' payments, (that is the 12 calendar months plus 2 months' regular payments related to annual leave and the working periods of Christmas and Easter). The amount of this basic pension is appointed at €360 for the year 2010 to be revaluated by 01.01.2014 on a base rate formulated in 50% by the gross domestic product (hereinafter GDP) change and 50% by the change in the consumer price index (hereinafter CPI) thus controlling in a downward manner the purchasing power of pensions, since any increase based on the increases on CPI (inflation) will not be achieved (Article 2);

3) The regulation of the retributive (proportional) pension of insured workers by 01.01.2011 and afterwards, the increased retirement age on which this pension will be paid, the calculation of monthly pensionable earnings based on the entire lifetime earnings (instead of calculation based on the average of the best five years out of the last ten years that was hitherto in force) (Article 3);

4) The description until 31.12.2010 of the proportional pension of insured workers, who establish a right to old-page pension or disability pension after 01.01.2015. This provision gives rise to a particularly complex calculation of the pension in case of consecutive insurance in several Funds **(**Article 4);

5) The regulation of the terms and conditions of consecutive insurance, in such a degree that the 30% loss on the amount of the pension, is restituted only from 3% to 5% (Article 5);

6) The significant increase in the retirement age, the drastic increase of the retirement age of women and particularly of the mothers of minors, the substantial increase in the retirement age of workers in heavy and arduous professions. The general retirement age for the entitlement to full pension is set uniformly to 65 years and hitherto based on 40 years of contributions. These measures should be appraised taking into account the aforementioned effects of the measures on industrial relations that were imposed simultaneously and introduced, among others, drastic reductions in wages, wage freezes, changes in fundamental minimum standards of wages and conditions of work, release of collective dismissals, inefficient and inadequate public social care support for mothers and working parents (Article 10);

7) The indexation of pensions (basic and proportional) in accordance to the change of CPI and GDP (see also article 2) and the redefinition of the retirement age by 01.01.2021 with the age of 65 as a point of reference and taking between 2010-2020 the increase of life expectancy as a point of reference. By 01.01.2024 the retirement age will be readjusted every three years (Article 11);

8) The regulation of the general terms of the survivor pension benefits payable to a dependant living spouse. Survivor pensions are granted after three years of marriage unless a) the death of the spouse is caused by an accident, labour or not, b) birth, legitimization, acknowledgment or adoption of a child occurs during the married life and c) in case of the widow's pregnancy at the time of insured worker's death. The widow's pension is granted for three years after the death. If the widow is still working or is receiving an additional pension 50% of this pension is paid. After the 65th year of age 70% of the pension is paid to the widow (Article 12);

9) Regarding the provision on supplementary (auxiliary) pensions, the guarantee of the State in funding supplementary pensions is effectively abolished, their amount is not ensured (on the contrary their current percentage and amount are reduced), while the system of defined benefits on supplementary pensions is converted to

system of defined contributions, resulting in their conversion to occupational (private) insurance (Article 15);

10) Strict measures on the substantial reduction or the suspension of the pension of retired workers who are engaged after the retirement in employment (Article 16);

11) The revision of the list of Heavy and Arduous Professions: The new list to be set in force by 01.07.2011 for all workers will cause serious problems of application in practice. The increase of the minimum retirement age from 55 to 60 years during 2011-2015 for workers who have 10.500 days of contributions of which 7.500 days must refer to work in heavy and arduous professions (Article 17);

12) Merging of Social Security Funds: By 01.01.2013 all seafarers will be insured in IKA-ETAM[38] and not in the autonomous, specialised and hitherto exclusively competent Greek Seamen's Pension Fund (NAT). By 01.01.2011, all persons employed for the first time in the public sector (central government, municipalities, local government, etc), in the armed forces and in the parliament will be compulsorily insured at basic pension branch of IKA-ETAM (Article 27);

13) As regards the funding of the Social Security System besides the funding by the State of the basic pension and the subsequent abolition of tripartite funding, while the funding of the Social Security Funds till 31.12.2014 remains according to legislation hitherto in force[39], by 01.01.2015 the funding of Social Security by the State is limited to the basic pension, with the direct implication for Social Security Funds to find themselves in difficulty to pay pensions (Article 37);

14) Re-introduction of the special levy on pensions called now "Pensioners' Solidarity Contribution" (EAS), which was abolished by law because it was judged to be not compatible with the Constitution;

15) Accounting split of welfare and pension benefits: Maintenance of two separate accounts for insurance and for welfare benefits, which henceforth will not include the Pensioners' Social Solidarity Benefit (EKAS)[40], the extra-institutional benefit

[38] The IKA-ETAM (acronym for Social Insurance Institute – General Employees' Insurance Fund) is the principal social security institution in Greece.
[39] i.e. IKA-ETAM 1% of GDP, TAP-OTE 0,3% of GDP, OAEE 0,4% of GDP.
[40] The EKAS (Pensioners' Social Solidarity Allowance Benefit) established by article 20 of Law 2434/1996 is granted since 01.01.1996 to beneficiaries of old-age or low survivor pensions above 60 years of age or beneficiaries of low disability pensions without the age limit requirement, who have very low personal and family taxable income.

(quadriplegia–paraplegia benefit) and the permanent invalidity benefit, but not the basic pension which under the new provisions is considered as a pension benefit (Article 39).

2. By the adoption of the above-mentioned permanent measures set by Laws 3845/2010 and 3863/2010[41] and the commitment to adopt and implement further measures undertaken in the context of the smooth operation of international loan mechanism as stipulated in the Memoranda, the Greek Government fails to respond to the due observance of ILO Convention No.102[42].

Beyond the substantial and permanent reductions in pensions and the elimination of other pension benefits imposed by Law 3845/2010 (article 3 paragraph 10), which were acquired and valuated on the basis of contributions already paid, the provisions of Law 3863/2010 effect a radical and direct reform of the Social Security System of the country through:

i. **The non–observance by the State of its fundamental obligation to guarantee the granting of old-age benefits and the substantial abolition of the tripartite funding of the social security system;**

ii. **The drastic and direct parametric changes that violate asserted pension rights or legitimate pension expectations.**

Specifically:

i) The non–observance by the State of its obligation to ensure and grant old age benefits, since under the provisions mainly of articles 1 and 37 of Law 3863/2010 the role of the State in the tripartite funding of the Social Security System, imposed by the ILO Core Convention No.. 102[43], is effectively abolished.

The State is obliged not only to establish a Social Security System for the workers, to appoint and supervise the administration of the Social Security Funds but also to participate in funding the system by allocating to this end part of the country's general budget revenues.

[41] See point I.2 e) of our Observations.
[42] ILO Convention No 102 was ratified by Law 3251/1995 (FEK A' 140).
[43] See article 4 of Law 3029/2002 on the financing of IKA-ETAM.

Under the provision of Law 3863/2010, while the State will be financing the Social Security Funds until the end of 2014—in compliance with the terms of the international loan mechanism—it ultimately withdraws from the obligation to co-fund the Social Security System (primary and supplementary pensions), by limiting itself only to the funding of the basic pension.

The provision of article 11 paragraph 2, in situated in the same context and stipulates that:

> "By 2011 and every two years the National Actuarial Authority prepares actuarial studies which are ratified by the Economic Policy Committee of the European Union, on the subject of the continuous monitoring of the evolution of the national pension costs. By ad hoc (provisions of) law, pensions are revaluated, in order to safeguard the long term viability of the security system. The amount of the above-mentioned expenditure, projected until 2006, cannot exceed the margin of increase of 2.5 percentage points of the GDP, having 2009 as a year of reference".

This prediction—along with the lack of an explicit guarantee for the principal and supplementary pensions by the State–does not ensure future pension rights in the event that social security Funds were unable to finance pensions. The same concern exists about tripartite funding and the percentages of GDP for the financing of the social security Funds, guarantees that are not reaffirmed by Law 3863/2010 as well.

The preceding points, illustrate that pensions obviously lose their social character and gain uncertainty by acquiring a funded defined-benefit character, which means that they will be paid only if available resources exist, otherwise there will be no other social security guarantee, except from the basic pension.

Regarding the fundamental issue of State's withdrawal from the funding of the Social Security System, besides the establishment of the basic pension and the abolition of the tripartite funding, the State now, on the one hand chooses to convert the re-distributive "pay-as-you-go" system that is grounded in social solidarity into a funded defined-benefit system while on the other, intends to obtain resources for the social security system from seven additional sources:

a) by surcharging and burdening a significant number of pensioners with the Pensioners' Solidarity Contribution (EAS), now re-imposed despite the fact that

it was judged to be incompatible with the Constitution and abolished by law in 2004[44];

b) by the inherently contradictory introduction of a ceiling to a funded defined-benefit system (retributive pension);

c) by the reduction of pensions by eliminating the 13th and 14th pensions regardless of contributions retained that correspond to 14 months wages, by limiting the accrual rate for the retributive (contributory-based) pensions[45] to an average annual rate of 1,005% (and not 1, 2% as assured by the Ministry of Labour and Social Security) and by calculating the pension (40% replacement rate for 40 years of contributions and not 48%) on the basis the entire lifetime earnings. It should, in this respect, be noted that the Actuarial Technical Note on the Social Security System by the ILO includes a reference to:

> "the simplification of the annual accrual rates in relation to the draft Bill, undertaking at the same time a legal analysis in relation to the compatibility of the amendments to the International Convention on the minimum standards of Social Security of 1952 (No.102) which was ratified by Greece in 1955. This Convention requires a minimum accrual rate of 1, 33%. Also, there should be an examination as it concerns the compatibility with the International Convention on Invalidity, Old-Age and Survivors' Benefits of 1967 (ILO Convention No.128), which requires an annual accrual rate of 1, 5%[46]";

d) by the freeze on pensions for at least a three year period in conjunction with the commitments undertaken in the Memoranda of implementation of the international loan mechanism, which will on their own reduce the purchasing power of pensions by 15%;

e) by raising the sum total of social security contributions, not by increasing the contributions' percentages, but by extending the period of their payment up to 15 years;

f) by extending the minimum contributory period for retirement on a full benefit from 35 to 40 years that will significantly delay retirement or reduce the amount

[44] See article 1 of Law 3254/2004.

[45] See article 3 of Law 3863/2010.

[46] International Labour Office, Social Security Department, Technical Note to the National Actuarial Authority, 2nd evaluation of June 22,2010, Geneva, p.16 (Greek translation)

paid as a pension from –4% up to –26%, depending on the contributory period and the amount of pensionable wages. In addition, the elimination of the 13th and 14th pension leads to a reduction of –7% to –13% in the annual amount of pensionable wages[47];

g) by withdrawing the State's guarantee on supplementary pensions in the system of defined contributions, which will result in reducing pensionable wages more than 20% for 35 years' of contributions.;

h) by introducing a penalty of 6% annual reduction in pension benefits for a contributory period of less than 40 years.

By the means of reducing pensions enumerated above and the increase in the minimum retirement age, according to the Actuarial Technical Note by the ILO[48], the total pension expenditure from 4,4% of GDP in 2008, will reach 7,4% of GDP in 2060. This increase in expenditure by 3 percentage points of the GDP is a deadlock prospect, since the amount of pensioners will have been increased by 70% during the period 2010-2060. Additionally as regards the prospect of implementing the new system (basic–retributive pension), its invalidation in practice is obvious, since the average of the contributory period in Greece is 25 years and the average age of a worker entering for the first time the labour market is the age of 29. So, with 40 years of contributions entitling retirement on full benefit, the retirement age of a newcomer will be 70, when a pension-benefit of poverty will be paid.

Regarding these unfavorable developments for insured workers, pensioners and the Social Security System, the ILO estimates a reduction in the total deficit of the Social Security System by –4% in 2060 (10,7% of the total GDP deficit in 2060) under the conditions of the social insurance scheme in force till now, to reach 6,5% of the GDP in 2060 with the social insurance scheme imposed by Law 3863/2010, increasing by 1% of the GDP (3 billion Euros per decade or 300 million euros per year for the next 5 decades). As estimated by the ILO, the contribution of the pension system in the reduction of the public deficit (4, 9% in 2013) might reach 0, 7% of the GDP.

[47] Examples:
- pension of € 740 x 14 months = € 10.360 (difference - €680 or 7%)
- pension of € 740 x 12 months + € 800 = € 9.580
- in a pension of € 1080 the annual reduction is – 10%,
- in a pension of € 1440 the annual reduction is 13%.

[48] ILO Technical Note, p. 15 (Greek translation)

ii) The substantial parametric changes of direct implementation that violate workers' social security rights and reverse their rightful entitlement and expectations[49], including:

- **the significant raise in the retirement age within a extremely short time span with specific stipulations for:**
  - Retirement on full benefits with a minimum of 40 years of contributions at the age of 65. Abolition of the right to retire on full benefits with a minimum contributory period of 35 years at the age of 58, with minimum contributory period of 30 years at the age of 62 years or with minimum contributory period of 37 years with no age limit.
  - For retirement based on a contributory period of 30 years, the age limit increases from 62 to 65 years.
  - Drastic increase of the retirement age of mothers who protect minors and children, by which, within a very short period of three years (until 2013), 15 years of contributory period for retirement on full benefit are added, without any countervailing measure for the support of motherhood and childhood, as well as of the working parents as it concerns the relief of their care-giving obligations especially during the first years of their children's life.
  - General increase of the retirement age at the age of 65 with 15 years of contributions.
  - Drastic increase in minimum early retirement age of persons employed in Heavy and Arduous Professions from 55 to 60 years by 2011, as long as the worker has a contributory period of 10.500 days, the 7.500 of which must be in Heavy and Arduous Professions.

[49] As it is characteristically mentioned in the Opinion No 241/5-7-2010 of the Economic and Social Council

> "ESC reminds the **basic principles, repetitively expressed, that should govern and regulate the country's Social Security System, which appear to be totally ignored by the draft Bill.** This is due to the fact that (the draft Bill) deals with the Social Security System by introducing provisions that eliminate benefits and social rights, increase violently the retirement age (and especially to groups that need particular social care), when the aim should be the reinforcement of the Welfare State of the Rule of Law. (…) Even if there is need for changes, **such violent inversions reverse asserted expectations and of course the family programming,** because they affect the reliability of social security. For example the retirement age of women, insured to IKA-ETAM, that protect minor children is now increasing from their 55th to their 65th year (that means by 10 years) within only two years". *(emphasis added)*

- The high cost of the acquisition of the contributory period recognized for the completion of the 40 years of contributions for retirement on full benefit[50].
- Redefinition of the minimum retirement age from 01.01.2021 having as a point of reference the age of 65 and based on the changes in life expectancy during the decade 2010-2020. From 01.01.2024 the retirement age will be redefined every 3 years.

- **the extensive revision of the List of Heavy and Arduous Professions in addition to the increase of the minimum retirement age.**

The State has the primary obligation to adopt the necessary and adequate measures in order to assess and eliminate risks at work (supervision of the due implementation of the legislation on Health and Safety at work, provision of adequate number of occupational physicians and health and safety technicians, increase of workplace inspections reports including Heavy and Arduous Professions, risk assessment and systematic supervision of accidents at work and occupational diseases, establishment of a special body of occupational risk assessment) and to grant any countervailing or compensational measure and/or right when the risks remain and cannot be eliminated.

It should be noted in this respect that the principles guiding the protection of health and safety of all workers and especially those exposed to great health and safety risks, as well as the principle to protect justifiable trust to the State (regarding the workers already included in the institution of Heavy and Arduous Professions), as fundamental principles of the Social State of the Rule of Law and the Welfare State, ought to guide the process of revision of the list of Heavy and Arduous Professions. In this light, any decision on the revision of the List of Heavy and Arduous Professions must be fully documented and take into account epidemiological studies, updated lists of occupational diseases and Labour Inspection's reports[51].

[50] Examples on the cost of acquisition of contributory periods:
- Armed Forces (24 months)= € 5.800
- Parental leave (1 child) =€ 2.880 euros
- Sabbatical (up to 2 years)= € 5.760 euros
- Period of tertiary education (1 degree)= € 8.000
The acquisition of all contributory periods provided in Law 3863/2010 (up until 7 years) is calculated at an amount of € 22.000 for men and € 16.000 for women.

[51] Greece has not ratified ILO Convention No 155 on "Occupational Safety and Health"

- **the change in the way of calculating pensions benefits, which is hitherto based on the entire working life. It should be noted that this provision, as well as the increase in the contributory period to 40 years for retirement on full benefit, must be assessed along with the simultaneous changes in labour legislation (see above) that promote the flexible and precarious work with limited labour, payment and social security rights.**

Additionally, individual measures reveal other significant changes in the way of calculating pension benefits. Indicatively, it should be noted that regarding the formulation of the amount of retributive (proportional) pension from 01.01.2011 and on, the annual accrual rate based on the classes of the pensionable wages and the corresponding indexes (mentioned in article 3 of the Law 3863/2010) is not as announced 1,2% x 40 years=48% (replacement rate) but is 1.005% x 40 years= 40% (replacement rate), which means that there is a reduction on the contributory-based amount of the pension by 20%. Also, according to paragraph 4 of article 3 the amount of the basic pension and the relevant eligibility criteria, to be defined by the co-Decision of the Ministry of Finance and the Ministry of Labour and Social Security, must safeguard the long term viability of the Social Security System and that the anticipated increase of total expenditure will not exceed the 2, 5% of GDP during the period 2009-2060. This strategy of increasing the total expenditure by 2.5 percentage points of GDP constitutes a deadlock choice, given the fact that the number of pensioners during the period 2010-2060 is expected to rise by 70%.

In any case under the proposed by Law 3863/2010, combination of basic and retributive pension, motivation to enter social insurance is minimized while ultimately the declaration of employment, especially in the first years of work, will not grant future pensioners (especially when wages are low) better pension benefits. Such a development would contribute neither to raising social security awareness nor to combating undeclared work, which at present is a critical issue.

- **important changes in the system of supplementary (auxiliary) pensions, and particularly the subsequent abolition of the State's guarantee to grant pensions,** the prospective reduction of pension amounts and the change of the system of defined benefits for supplementary pensions to a system of defined contributions that results in their reversal to occupational (private) insurance.

The supplementary social security is primarily of public character. As the Constitution of Greece stipulates, the compulsory social security, either basic or supplementary, is excluded from the private initiative domain. This exclusion was established for reasons of public interest and especially in order to shield all citizens who are obligatorily insured or pay contributions, from the economic hazards often related to the exercise of insurance services by private entities. Consequently, the State has the general duty to provide, supervise and guarantee the social security right to pension benefits.

Under the recent provisions [...] however, the State withdraws from its responsibility regarding supplementary insurance as by 01.01.2011 it will not cover any current and/or future deficit of the supplementary insurance funds required for the exercise of social policy[52].

3. G.S.E.E.'s participation in consultation procedures on the Social Security System.

3.1. The Social Security issue is an open social issue, always topical, which needs to be continuously addressed. The G.S.E.E. since 1990, consistently presents its relevant positions and proposals based on the findings of actuarial reports on the Social Security System. The G.S.E.E. following the invitation by the Minister of Labour and Social Security in December 2009 decided to participate in a Committee charged with evaluating the latest figures and options for social security reform. The G.S.E.E. on this occasion stated that:

- "our participation should be considered as a positive response to the real need to scientifically examine all the fields and parameters of the System by creating a uniform base of operational, financial and actuarial data, which should constitute the common agreed basis required to determine solutions for the Social Security System and to ensure the financial sustainability and social efficiency of the system;
- we consider that given the commitment of the Ministry that, according to the findings of the Committee, a political and social dialogue and bargaining will follow to examine the solution proposed for each thematic unit, including possible alternatives, without prejudice to the opinion of the governing bodies of each organization;

[52] See Article 15 paragraph 5 Law 3863/2010.

- the dialogue, in the context of this Committee, must be structured in specific units, with adequate presentation of all elements that the Government and the Funds have at their disposal;
- we suggest the inclusion and the elaboration of all the issues under dialogue in 5 categories (and possibly more) where the first and most fundamental category must relate to the resources and the funding of the System[53];
- the G.S.E.E. has at its disposal comprehensive studies and proposals. We are ready to insert them with scientific guarantees into the social dialogue procedure, because we firmly believe that the Social Security System, despite its fiscal effects, should be treated not as a purely economic and fiscal issue, but primarily as a social and political matter. In this respect, the G.S.E.E., considers of the outmost importance, the implementation by the Government, before the start of the social dialogue, of all its programmed engagements, to a) abolish the provisions of Law 3655/2008 regarding the raise in the retirement age and the reductions in supplementary (auxiliary) pensions, b) intensify the functioning of the entire supervisory mechanism and reform the mechanisms of the Labour Inspectorate Body (SEPE) and the Social Security Institute (IKA) to enable proper collection of due social security contributions;
- the work of the Committee and in particular the political and social dialogue should include further issues that are related to the growth model of the

[53] Specifically the G.S.E.E suggested the following categories:

1st. Resources – Financing
- Sources of the new resources
- Expanding of the base of the System of Social Security.
- Reserve funds of the Social Security System.
- Health expenditures.
- Identification, registering, time scheduling and ways of pay out of State's accumulated debts and obligations to Social Security Funds
- Delayed contributions and wide spread contribution evasion.

2nd. Merging Funds
- Restitution of the systemic imbalances caused by Law 3655/2008, in order for the merge to be efficient and effective.
- Principles and methodology on further merge.

3rd. Improving the social efficiency of the Social Security System.
- Care for the dismissed persons of older age.
- Pension rights of unemployed persons.
- Heavy and arduous professions.

4th. Organisational – Operational issues.
- General Administration of the Social Security System (administrational issues, majorities, role of the State)

5th. Fund of Social Security Solidarity between Generations.
- Resources of the Fund.
- Ombudsman of generations.

We have also pointed out that the enumeration of subjects in the units was indicative and not restrictive, while there were topics which should be urgently addressed (i.e. tackling the serious demographic problem of Greece, womens' and maternity protection, cost of the voluntary retirement programs etc.)

> country as the existence and prospects of the Social Security System are intrinsically connected to growth, to labour relations, to addressing unemployment and to the redistribution of income at the primary and secondary levels;"

As emphasized in the preceding excerpts, social dialogue should be frank and effective, correspond to the commitments of the State and be conducted with the sincere intention to take into account the views and the experience of workers' representatives in the final configuration of policy and measures concerning the Social Security System.

It should appear, however, as illustrated by the subsequent evolution of the matter, that the Government did not intend to engage in an effective and substantive social dialogue process that would take stock also of the alternatives and the proposals advanced steadily by the G.S.E.E. on the social dimension of the measures required for the viability of the Social Security System. While the legislative measures exposed in the present text were indeed imposed under the pressure of the financial crisis on the country, such a conjecture does not in any way minimize but on the contrary, accentuates the need to pursue the maximum legitimisation of the legislative power and emphasizes the need for substantial social dialogue[54].

[54] The provisions of the draft Bill (subsequent Law 3863/2010) caused the strong reaction also of the employers' organizations. Their repeated statements and memoranda to the Government reflected clearly their views against these austerity measures: e.g. The Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE) has stated that:

> "The entrepreneurship initiative, especially in SMEs, is a participative procedure between employers and workers, which must not be "mined" by the configuration of an uncertain and insecure environment extremely hazardous for workers and employers, as the one prescribed with the draft Bill on the Social Security System. Unfortunately, the new proposal on social security is deeply affected by the current economic situation and there is no concern for the progressive (at least) improvement in the future. The development dimension of the Social Security System is not taken at all into consideration by the Government. We are obliged to react to any unfair change in our expense that is suggested by the draft Bill, by briefing, at the same time, our colleagues and mobilising the dynamics of the economic and social body that we represent in every direction".

Similarly the National Confederation of Hellenic Commerce (ESEE) remarked that:

> "Even though we steadily support the intention to rationalise the Social Security System, we realise that the draft Bill on the reform of the System does not come up to the expectations of the world of commerce, because it deviates from the main objective of the rationalisation, as demanded by the entire Greek society, and appears to satisfy only the requirements of our creditors. Even though we had the chance to configure and implement an effective System, under the pressure of the circumstances, we find ourselves today in front of a "fiscal tool", which has great social cost and doubtful results. We believe that the social security issue should not "open and close" every time there is a deadlock, but it must always remain open and be actualised properly and on time. The only thing that we can now hope for, is to consider the adoption and the implementation of the new Law as a "provisional", a "transitional period" for the restitution of any unfairness in the very near future, but

3.2. Social Dialogue in the context of the Economic and Social Council of Greece.

The Economic and Social Council of Greece (ESC), with its unanimous Opinion No. 241/5-7-2010 on the draft Bill of (later) Law 3863/2010 states verbatim the following:

> *"This Law did not constitute an issue for social dialogue or consultation despite the fact that it intervenes in the context of collective agreements by undertaking, for example, the international obligation to freeze the wages in the private sector.* The Draft Law was sent with *delay to ESC, thus depriving the adequate time frame for proper consultations,* required by the critical dimension of the matters regulated. To be noted is also the haste of the Government to include summarily the measures on industrial relations in the present draft Bill together with the social security issues, despite the fact that the time commitment stipulated by the 2 Memoranda is set for the beginning of the social dialogue in June 2010 while *the commitment to adopt legislation in December 2010".* (Emphasis added)

The ESC in the same Opinion, reiterates its standing position regarding the fundamental principles that should govern and regulate the social security system of the country and specifically enumerates the basic principles:

a) Social Security is public, universal and obligatory for all workers, Greeks and legal foreign workers.
b) The State guarantees the sustainability, the operation, the stable funding and the social character of the health, welfare and pension system in our country.
c) The Social Security System should be guided by the principle of equal treatment of all citizens, be socially fair, financially sustainable and promote the solidarity of the generations.
d) The reform of the social security system should be connected to the reform of our tax system aiming to a fair distribution of burdens.
e) The reform of the Social Security System must also be connected with an active and efficient policy on the increase of employment.
f) Social security policy must also include the growth related parameters of the measures undertaken. That is so, because the reform of the social security system has an impact to important economic factors such as growth, employment and competitiveness, factors, which in their turn will define the potential of the social security system itself.
g) The administration of the principal social security Funds should respect the equal tripartite representation of the State, the employers and the workers.
h) Reasons of effectiveness but also the principle of equality, requires the intensification of the efforts to limit contribution evasion and to control

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also as a "starting point" to develop the current miserable model to a modern, rational and fair Social Security System".

undeclared employment that are negative phenomena characterizing the Greek social security system.

i) The viability of the social security system of our country is directly linked to the demographic issue, a major issue that affects the country. In order to tackle this issue, effective policies should be immediately elaborated. No step to this end has been yet made.

j) The changes effected in the social security system should not reverse acquired pension entitlements, but should upgrade the System and reinforce the relationship of credibility between State and citizens required to develop and enhance social security awareness.

k) *The present draft Bill largely ignores these principles. This is so because it approaches the system of social security with measures that curtail benefits and social rights, increasing in a violent way the retirement age, especially in groups that require particular social security care, when the challenge to reinforce a fair social state"*. (Emphasis added).

4. Social security policy in Greece copies in an even more restrictive and unfair manner similar deadlock policies applied in 1990-2008 in other E.U. countries which reduced pensions up to 20% without effectively addressing the financial needs of pension systems as illustrated by the obtained results.

Thus, after 20 years of squeezing social and pension rights and depriving social security systems from new sources many countries—and Greece—revisit aggressively the level of pensions and their eligibility rules. More specifically, the main orientation is: to change the way the pensions are calculated, to raise the retirement age, to increase working life, to promote the introduction of contributory-based elements in social security by shrinking the "pay-as-you-go" system on pensions, to expand the funded defined-benefit system effectively abolishing tripartite funding, to withdraw the State's guarantee on the payment of supplementary pensions.

Furthermore, the Court of Audit (supreme fiscal court) as regards changes proposed in the draft Bill of subsequent Law 3863/2010, confirmed a host of constitutional aberrations in measures that reverse rights and refer to:

i) Mergers between social security Funds and the coverage of all public sector workers to IKA-ETAM by 01.01.2011;

ii) The authorization granted to the Minister of Finance and the Minister of Labour to define the basic pension;

iii) The suspension of pension if the pensioner is either employed or self employed;

iv) The non coverage of deficits and the non guarantee from the State to fund the supplementary pensions by 01.01.2011 and

v) The granting of the survivor pension benefit to a disabled person, a minor or a child still in education, as regards the due implementation of the principle of equality.

This important ruling on the aims and the context of these restrictive measures vis-à-vis the real needs of insured persons and pensioners and the financial needs of the social security system, also accentuates the macro-socio-economic dimension, since measures such as calculating pensions on the entire working life and increasing working life presuppose that any economic or growth policy provides for stable and continuous employment as well as generating new jobs.

Similarly, the expansion of the contributory-based elements on the pension system presupposes secure and high returns from any investment choices for the Funds' reserves. In parallel, the continuous raise of the retirement age triggers the expansion of unemployment and adversely affects productivity levels in businesses and the economy due to the participation of increasing numbers of elderly workers in the production process.

The points exposed above aptly illustrate the urgent need to examine alternative ways to address the long-term viability and the efficiency of the social security system taking into account the negative experience from the implementation of similar measures in other E.U. countries and in Greece over the last decades. Nonetheless, we regret to observe that long-term solutions and measures, as proposed by the G.S.E.E and other parties on many occasions, have been sidetracked in favour of short-termist options that harmfully affect the acquired legitimate rights and the pension entitlement of the workers, that the G.S.E.E. represents.

IV. Official Opinions that assert the non-observance of the international minimum standards of protection.

- **The Resolution of the National Commission of Human Rights.**

The National Commission of Human Rights[55] (NCHR) in the context of its statutory role as the main consultative institution of the Greek State on issues pertaining to the protection and promotion of human rights adopted on June 16, 2010 a unanimous Resolution (full text attached in Annex III) which recognizes the effect of the imposed austerity measures on fundamental human rights and:

- emphasizes the urgent need to respect and ensure the continuous fulfillment of fundamental human rights in the duration of the exit strategy to lead the economy and society out of the sovereign debt crisis;
- notes the fact that the current economic crisis has already had and will continue to have serious impact on the social fabric, by leading to a serious downturn of living standards and threatening vulnerable groups of the population with social exclusion;
- points out the Government's due commitment by the constitutional framework to protect fundamental human rights, the international and European human rights safeguards and the fundamental principles that are binding for Greece, as a member state of the European Union, the Council of Europe and the United Nations and the settled case law "shield" already established at the national, the international and European levels in favour of fully and equally enjoying all human rights;
- observes that the country's binding international obligations as regards the protection of individual and social rights, especially during the current economic and social situation, must be fully respected, according to the constitutional principle ratifying by statute international Conventions that are thus an integral part of domestic law and prevail over any contrary provision of Law. The due observance of these obligations is not only imposed to the State, but also to the international creditors with whom the country co-operates in order to exit the external debt crisis and who have the same obligation to respect the internationally safeguarded individual and social rights;
- reminds the State of the NCHR's already adopted resolutions on the urgent need to adopt measures to safeguard and shield fundamental individual and social rights during the financial crisis by establishing conditions of economic and

[55] Established by Law 2667/1998, www.nchr.gr

social development, inter generation solidarity and social trust through economic equity and social justice;

– conveys to the State the consistency of NCHR's opinion that the protection of fundamental human rights should not be treated with marginally or without due attention during the exit strategy out of the debt crisis, if a legitimate real effect and benefit is aimed in favour of society as a whole and the national public interest with conditions of economic sustainability, social efficiency and sustainable development, which should guarantee recovery and development with equity and social justice.

FOR ALL THE REASONS EXPOSED ABOVE

The Greek General Confederation of Labour (G.S.E.E.), in its capacity of the supreme trade union organisation in Greece representing all workers employed in the Greek territory under private law contracts, calls upon the Committee of Experts on the Application of Conventions and Recommendations (CEACR) to examine within its jurisdiction under the Articles 22 and 23 of the ILO Constitution, the urgent observations submitted herein, as well as any subsequent observation that may be additionally submitted in the case that new austerity measures are implemented, as regards the non–observance by the Greek State of fundamental labour rights enshrined in the following ratified ILO Conventions, to which is a party, and namely:

Convention No.98	The Right to Organise and Collective Bargaining, 1949
Convention No.87	Freedom of Association and Protection of the Right to Organise, 1948
Convention No.154	Collective Bargaining, 1981
Convention No.81	Labour Inspection, 1947
Convention No.95	Protection of Wages, 1949

Convention No.100	Equal Remuneration, 1951
Convention No.111	Discrimination (Employment and Occupation) 1958
Convention No.122	Employment Policy Convention, 1964
Convention No.138	Minimum Age Convention, 1973
Convention No.150	Labour Administration Convention, 1978
Convention No.156	Workers with Family Responsibilities, 1981, and
Convention No.102	Social Security (minimum standards) 1952

Given the occasion we reiterate, on behalf of the G.S.E.E., our respect and deep commitment to the principles and the values guiding the work of the ILO and express our sincere appreciation for the volume and quality of work carried out.

Thanking in advance for the time and attention accorded to our observations, we remain at your disposal should any additional information or explanation be needed.

On behalf of the G.S.E.E.

Yannis Panagopoulos	Evangelos Bouzoulas
President	General Secretary

CC:

- International Trade Union Confederation (ITUC)
- European Trade Union Confederation (ETUC)
- ACTRAV - ILO Bureau for Workers' Activities