

The ongoing tragedy: the deregulation of the Greek collective labour law under the Memoranda. Experience and perspectives.

In 1982, a couple of years after the end of the brutal military dictatorship in Greece (1967 – 1974) and under the freshly elected government of PASOK (Panhellenic Socialist Movement), a democratic law regulating syndicalism and trade unions subjects was voted by the Greek parliament. The law contained provisions about the right to strike, the organisation of trade unions and their electoral system, the protection of trade unions leaders from dismissal and unfavorable relocation by their employer, trade union leaders leaves etc. The relevant law, with some minor amendments so far, is still in force.

8 years later, in 1990, and under special political circumstances which had led to the formation of a government by all political parties, the law 1876/1990 concerning free collective bargaining was unanimously accepted by the Greek parliament, the only law voted by all political forces represented in the Parliament, including the Communist Party. The law was the milestone of the Greek collective labor law until May 2010, when its dismantlement commenced along with the deregulation in individual labor law (which, by the way, had begun many years ago according to the European principle of “flexicurity”, which in reality means extreme insecurity for the employee).

The system of collective bargaining, mediation and arbitration in Greece after 1990, despite some problems and dysfunctions, was in generally considered to be functional and successful. It was a system which tried to restore the inherent imbalance between workers’ unions and employers’ associations, between labor and capital. For example, some basic elements of the system were:

-It established the principle of favorability for the employer, meaning that the most favorable for the employee provision was to be implemented in case of different collective agreements coming into force (e.g on the sectoral and enterprise level) or in case of collision between a collective agreement and a law.

- Minimum wages and minimum terms of employment were set by the National General Collective Agreement, which was agreed by the major social partners (or social antagonists, if you wish) in Greece.

- After the expiration of a collective agreement all terms and conditions were valid for a period of six months, so that the social partners have enough time to make a new collective agreement. If that did not happen, all terms and conditions of the expired collective agreement were converted into terms of the individual contract of employment, protecting in a significant way the employer, since no change could take place without his consent.

- The Minister of Labour had the competence, in consultation with the High Council of Labour, to decide to extend the scope of a collective agreement and make it binding upon all the workers of a given economic sector or occupation, provided that the agreement already bound employers employing 51 per cent of the workers in that sector or occupation.

- An independent legal entity was established to support free collective bargaining by the provision of mediation and arbitration services to trade unions, employers' organizations and independent employers.

Crucial element of the system of mediation and arbitration was that the appeal to arbitration could take place **unilaterally** under the following conditions: a) by any party as long as the other party had refused the mediation or b) by any party, after the submission of the mediation proposal, as long as both parties appeared at and participated in the mediation procedure.

That meant that industrial relations on the sectoral, occupational or enterprise level would be eventually at some point regulated, even if one party completely refused to sit at the table of negotiations or had no intention to reach an agreement.

After May, 2010 the landscape of the collective labor law and collective bargaining changed in an unprecedented way. Greece was sunk in a permanent state of emergency which affected every sector of the political, economical and social life. The European institutions and the IMF, as represented by the famous Troika, prescribed a shock therapy, which was supposed to save Greece and help it handle with the financial crisis it faced. An intensive policy of internal devaluation was activated, that is going on until now. The main goal is to reduce wage and non-wage costs on the assumptions that such reductions will give rise to price reductions and to export expansions. This increase in exports was supposed to compensate for the falling internal demand.

Component of the aforementioned devaluation, which had as a result a feedback on the elements of depression of Greek economy in recent years, was the abolition of labor rights and the decline of labor income. The dominant opinion in the Troika was that mostly labor cost could be adjusted, since all other cost elements were inflexible: prices of intermediate products (mostly imported), interest rates, rents, taxes etc. That meant that the wage reductions in Greece were orientated to the wage levels of the Baltic States, Romania and Bulgaria. And that was no secret.

The policies of the last five years according to the political statements of the President of the Government, Alexis Tsipras at the Greek Parliament *"strengthened and deepened the earlier trend of deregulation of the labor market, creating middle age working conditions for almost all employees"*. Of course, these policies were not imposed to the Greek people just by the Troika. Specific measures reflected the opinion and the will of major employers' association and had been on the agenda in Dedoussopoulos et al: Assessing the impact of the memoranda on Greek labour market and labour relations, Geneva, November 2013.

social dialogue since 1997. In an ILO-paper about Greece it is stated by people knowing persons and facts interviewed by the authors of the survey, that Greek interests were pushing for the relevant legislation and their implementation, such as “export-oriented big enterprises”, “some large firms in the tourist sector”, “one private bank”, “two editors of daily newspapers who are also owners of two national televisions channels” and “a few owners of large hotels who are in a state of bankruptcy”.