

## GREECE <sup>160</sup>

### El affiliates

**DOE** Greek Primary Teachers' Federation

**OLME** Greek Federation of Secondary School Teachers

**POSDEP** Pan-Hellenic Confederation of Associations of Teaching and Research Personnel

### Ratifications

- C. 87 Freedom of Association and the Protection of the Right to Organise (1948) ratified 1962
- C. 98 Right to Organise and Collective Bargaining (1949) ratified 1962
- C. 100 Equal Remuneration (1951) ratified 1975
- C. 111 Discrimination (Employment and Occupation) (1958) ratified 1984
- C. 144 Tripartite Consultations (1976) ratified 1981
- C. 151 Labour Relations (Public Service) (1978) 1996
- C. 154 Collective Bargaining (1981) 1996

### Introduction

Greece is facing an unprecedented austerity programme imposed as part of the bailout conditions drawn up by the Troika (IMF, European Commission and European Central Bank). OLME describes the tragic consequences for education and society as a whole. Fiscal austerity measures are a combination of steep increases in direct and indirect taxes, wage cuts and pension and social security reductions. "These cuts are effectively destroying the welfare state. It's not the employees, much less the teachers, that caused this public debt, yet it is they who have to bear the burden of austerity."<sup>161</sup>

The economy has shrunk by about 20% since 2008 – the deepest recession since World War II-and is expected to shrink further by about 25%-30% over the coming years. Unemployment stands at 21% and the total number of unemployed exceeds one million, with youth unemployment at 51.1%.<sup>162</sup> The government has undertaken to reduce the public deficit from 13.6% in 2009 to less than 3% in 2014.

### The Status of Teachers

Teachers in public education are appointed as career civil servants. In 2006, a new Law was adopted on the selection, appointment and career structure of primary and secondary school teachers.

<sup>160</sup> Grateful acknowledgements for the written report and additional contributions from Themis Kotsifakis, General Secretary, OLME

<sup>161</sup> cited in El news article Greece: Teachers on strike against austerity (12 October 2011) [www.ei-ie.org](http://www.ei-ie.org) accessed 12.03.2012

<sup>162</sup> Greece; ITUC Annual Survey on Trade Union rights 2012



### Before the Financial Crisis

Union density is placed variously at between 22% and 30%. While union density in the private sector is now less than half the level it was in the mid 1980s, in the civil service it is now 50% higher than it was 20 years ago. ADEDY is the confederation of civil service unions, and is organised based on Ministries and includes the teachers' unions as well as employees in Ministries and local authorities.

### Freedom of Association

The Constitution includes references to the right of collective association, trade union freedom and strike action as well as collective bargaining, with the exception of the Armed Forces. Twenty members are required to form a trade union, which constitutes an effective restriction on the right to organise given the prevalence of small enterprises in the Greek labour market (approximately 90 per cent of the workforce).

Public sector workers have the right to strike although they must give four days notice. The police forces have the right to organise and to hold demonstrations, but not to strike. In the private sector, the equivalent notice period is 24 hours. A strike must be declared legal, and there is considerable judicial discretion in interpreting the very general criteria. Minimum staffing levels must be agreed during strikes affecting essential services.

### Collective bargaining

#### • Private sector

Following the signing of a Social Pact in 1990, the Law 1876 on "Free Collective Bargaining" has been in force, which established a system of collective bargaining in the private sector. Collective bargaining takes place at national, industry and company level, and in the past, the national cross-sectoral agreement, known as the NCGA, normally negotiated every two years, included a national minimum wage and other employment conditions. It provided a basis from which improvements could be negotiated. Conciliation, mediation and arbitration were given an important role, through the Organization for Mediation and Arbitration (OMED).

#### • Public sector

Greece ratified Convention 154 in 1996 and then passed Law no 2738 on 6th September 1999, which introduced the right to collective bargaining in public administration for the first time. Collective bargaining was to include issues like working time and leave, transfers and posting, education and training, health and safety, social insurance, except for pensions and trade union fees.

While in a few Ministries it has been possible to establish collective agreements, in the case of teaching, the Government has not implemented the Law 2738/1999 although OLME on an annual basis proposed a collective agreement plan to the Ministry of Education.

Salaries were never included in the issues to be a subject of negotiations and instead were to be regulated by Ministerial Decision. While on occasion there has been some level of informal consultation on salaries, OLME reports that in the case of teachers, decisions were made by the Government unilaterally, without any agreement

Employees under private law contracts in the public sector are subject to the general framework concerning collective bargaining set by Act No. 1876/1990. The number of employees working under private law contracts had dramatically increased during the past ten years and they currently represent one third of all workers in the public sector.

### Impact of the financial crisis on public sector workers and collective bargaining

Changes introduced following the financial crisis and imposed as part of the conditionalities for Troika financial support, under the terms of the Memorandum of Economic and Financial Policies (MEFP) and its subsequent revisions, have fundamentally altered the bargaining structure, dismantling the system which had evolved since 1990.<sup>163</sup>

#### • Private sector

The first loan agreement with the Troika was agreed in May 2010, and in the immediate aftermath, in July 2010, the unions were able to negotiate a new national collective agreement for the private sector, after lengthy discussions. Because of the difficult economic situation, the GSEE union confederation agreed that pay would be frozen until July 2011 and that increases after that date until July 2012 could not exceed the average inflation forecast for the whole of the EU. Further this agreement was set as a binding ceiling, which unlike in the past, could not be improved at industry or company level.

However, in December 2010, the government reneged on this agreement and adopted Act No. 3899/2010, known as the Act on special enterprise collective agreements, which undermined the national collective bargaining system. The act stipulated that at company level, agreements could contain conditions which were less than those of the national agreement.

There has also been a weakening in the system of arbitration and mediation<sup>164</sup> and a series of measures designed to weaken protections against dismissal, a reduction in severance pay and an increase in periods of probation and temporary agency work.

Law 4024/2011 further “deconstructed” the industrial relations system by abolishing the principle of favourability, whereby if there is a plurality of agreements, the most favourable conditions apply. It also introduced legislation to determine pay scales in public sector

<sup>163</sup> For details of the terms of the Memorandum, see ILO Report on the High Level Mission to Greece (Athens, 19-23 September 2011) pp.6-8 and subsequent legislation pp 10-15

<sup>164</sup> <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Greece>

utilities as well as providing the right to conclude enterprise agreements with non-elected “associations of persons”, thus undermining the principle of collective representation.

With Law 4046/2012, following the signing of a new memorandum of understanding with the Troika, the Government undertook to abolish the NGCA itself and has explicitly legislated to decrease the wage rates in the NGCA by 22%, with a further reduction for young workers (15-25 years old) of 32%, known as a sub-minimum wage. The new minimum rates will be subject to a wage freeze for 3 years until 2015. Furthermore, in the future, minimum wages will be regulated by administrative authority as from April 2013 after consultation with social partners.<sup>165</sup>

In addition, there were major cuts to pensions and increases in employee pension contributions as well as the abolitions of the Labour Housing Organisation and Workers' Social Fund.

- **Public sector**

In the public sector, austerity measures started well before the country's first bailout package in the spring of 2010. Before the conclusion of the first loan agreement, reform of employment relations for workers in central government and the broader public sector was implemented through a series of statutory interventions.

Law 3833/2010 on the “Protection of the national economy – Emergency measures to tackle the fiscal crisis” was adopted by the Greek Parliament on 5 March 2010. This law imposed major reductions in the wages of all public employees and for workers under private law contracts, employed in the public and broader public sector (such as public enterprises). The law also called for a freeze on recruitment and cancelled all clauses in the collective agreements which were superseded by this legislation and prohibited the negotiation of wage increases.

Law 3845 in December 2010 further reduced wages in the public sector. Subsequent measures include: the imposition of a temporary freeze in career advancement premiums; the imposition of a “labour reserve” with workers paid 60% of their salary, concealing collective dismissals of thousands of workers in the public and broader public sector without any negotiation; and the imposition of further unilateral wage and salary reductions through the establishment of a special solidarity contribution of 2% on regular pay to combat unemployment and other special contributions.

Law 4024/2011 introduced a new pay scale in the public sector. According to this law, salaries were again reduced dramatically. A new performance evaluation system for salaries and grade advancement was introduced.

The reform of the pension system has led to an abrupt and drastic increase in the retirement age, particularly of women, including mothers of minors who could in the past take early retirement. Within a very short period of three years (from 2010 to 2013), 15 years of contributory period had been added in order to qualify for retirement on full benefit.

OLME outlines the major impact of the financial crisis for teachers as follows<sup>166</sup>:

- wage cuts in some instances of up to 45% for teachers<sup>167</sup>;
- any salary increases are now related to subjective evaluation of performance;
- continuous pension reductions for all workers, including increases in the pension age;
- reduction of public spending on education of 33% (2009-2013);
- further reduction are planned of 14.2% (2013-2016);
- new measures planned include the closure of some universities, technological institutes and the introduction of graduate programme tuition fees.

#### **Public employees: government propaganda<sup>168</sup>**

The government is planning to reduce the number of public employees by 150,000 by 2015. They will recruit only one out of 5 posts which fall vacant and there will be a major re-evaluation downwards of existing pay scales. The government, according to OLME, has waged a massive propaganda battle in order to persuade people to accept the austerity measures, blaming public employees for the financial crisis. As the Deputy Prime Minister stated "we ate money together". The government presents a picture of a bloated number of public employees, while in fact the percentage of public employees in the overall workforce is 16.1%, while in Belgium it is 22.5%, in Finland 26.7%, and in USA 16.4%. The government tries to convince the population that Greece somehow works less than other European countries. However, according to EuroStat, the average working week in Greece is 44.3 hours, which the EU average is 41.7 hours.

#### **The Independent Policy Group on Education**

Under the terms of the Memoranda 3 and 4 with the Troika, an independent task force on education policy was set up with the obligation to provide a report every three months on measures taken to reduce expenditure. The Ministry of Education will be required to implement the recommendations of the policy group. In this way, the Greek government is being forced to introduce a new concept of "the market-oriented school", guided by the principles of cost effectiveness and economies of scale. These policies lead to the devaluing of free, public, education and the opening of education to the strategic investments of

<sup>166</sup> See Kotsifakis Themis, "The Consequences of the Government-EU-IMF-Policies on labour and Education in Greece, December 2012"

<sup>167</sup> ILO reports at least 20% cut in public sector wages 2010 to mid-2011. para 311 High Level Mission Report

<sup>168</sup> Report from Themis Kotsifakis, General Secretary, OLME



commercial companies. The decrease in public expenditure on education will be 1,436 million or a 19.2% reduction between 2009 and 2015.<sup>169</sup> There will also be further reductions in the public investment programme earmarked for education infrastructure.

### **The Impact on Schools**

There has been a 60% decrease in the funding of school committees and parents are being called upon to contribute more financially. Many schools will not be able to purchase heating oil in the winter, given the huge increases in prices. Almost 2000 school units in both primary and secondary education will be merged, without any prior dialogue with the teaching profession and local communities. There will be further closures and mergers in the future. Many other education support and special education services, including sports schools, libraries, special support schools, youth centres, art, civic education and ICT courses have been closed.

While class sizes and teaching hours are increasing, the number of teachers has declined. Between 2010 and 2011 school years, there has been a 12% reduction in the teaching workforce and there are now 16,000 fewer teachers. Many unemployed teachers are now signing service contracts with educational NGOs and their services are then 'contracted' by the municipalities.

### **The response of OLME and the Greek union movement**

Teachers and other employees have organised demonstrations, protests and carried out weekly occupations of key government buildings to protest against the austerity measures and the imposition of the Troika policies. During 2011, there were more than 12 strikes in the public and private sectors, which the government sought to end by using police violence. During the demonstration in February 2012 when the government was to adopt the new memorandum, police were particularly repressive.

Unions are seeking to:

- develop solidarity networks with social movements and young people;
- develop internet based communication networks;
- organise joint actions with teachers, parents and students;
- unmask the mass media propaganda about "lazy" civil servants;
- develop coordinated strategies across Europe to protect the welfare State and public education in Europe.

### **The ILO's response to collective bargaining reforms in the context of economic crisis in Greece**

Since 2010, the ILO Committee of Experts and the Committee on Freedom of Association has examined the legislative reforms in Greece, on the basis of a complaint against the Greek

government for violations of Convention 87 and Convention 98, submitted by the Greek General Confederation of Labour (GCSE), the Civil Servants Federation, (ADEDY) and other unions. The ILO organised a High-Level Mission to Greece in September 2011, which subsequently met with representatives of the European Commission and the IMF in Brussels and Washington DC in October 2011. The Mission noted that the “ILO must, as a matter of priority, be in a position to assist social partners in discussing the future model for social dialogue and collective bargaining so that they can retain their institutional role, particularly in the context of sectoral collective bargaining.”

In November 2011, the ILO Committee of Experts examined the new legislative reforms and the ILO held a follow-up mission to Greece in April 2012. The Committee of Freedom of Association in November 2012 further examined the case and in its report called for “the social partners to be fully involved in the determination of any further alterations within the framework of the agreements with the European Commission, the IMF and the European Central Bank that touched upon matters core to the human rights of freedom of association and collective bargaining which are fundamental to the very basis of democracy and social peace.”<sup>170</sup>

The Committee of Experts requested that the Government and the social partners fully discuss the time limitations of the measures imposed and to consider any further measures that may need to be taken in relation to the wages of public servants or the imposition of labour reserves in a manner so as to privilege as far as possible the determination of such matters through collective bargaining.<sup>171</sup>

Finally, the Committee of Experts in its General Survey report reiterates that if, as part of its stabilisation policy, a government considers that wage rates cannot be settled freely through collective bargaining, such a restriction should be imposed as an exceptional measure and only to the extent that it is necessary, without exceeding a reasonable period, and it should be accompanied by adequate safeguards to protect workers’ living standards. It further noted, specifically in the context of Greece, the need for effective consultation at the national level with workers’ and employers’ organisations and for those organisations to be consulted by EU, IMF and World Bank authorities when such crisis situations occur.<sup>172</sup>

<sup>170</sup> Greece: Case No. 2820 complaint first submitted 29 October 2010, Report No. 365, November 2012, ILO Committee on Freedom of Association para 1002

<sup>171</sup> Observation (CEACR) - adopted 2012, published 102nd ILC session (2013) C154 - Collective Bargaining Convention, 1981 (No. 154) Greece (Ratification: 1996)

<sup>172</sup> Para 346 “Collective bargaining in the public sector: a way forward”, General Survey concerning labour relations and collective bargaining in the public sector, Report of the Committee of Experts on the Application of Conventions and Recommendations Report 111 Part 1B 102nd International Labour Conference 2013

SPENDING OF THE MINISTRY OF EDUCATION AND RELIGIOUS AFFAIRS, CULTURE AND SPORTS				
YEAR	2009	2013	DIFFERENCE 2009-2013	
TOTAL	7,480,000,000	6,988,000,000		
REGULAR BUDGET ON EDUCATION	6,890,544,946	4,592,943,000	-2,297,601,946	-33%
TOTAL REGULAR BUDGET+PUBLIC INVESTMENT PROGRAMME ON EDUCATION	7,239,544,946	5,086,943,000	-2,152,601,946	-30%
GDP	235,017,000,000	183,049,000,000		
EDUCATION SPENDING AS A PERCENTAGE OF REGULAR BUDGET/GDP	2.93%	2.51%		-0.42%
EDUCATION SPENDING AS A PERCENTAGE OF REGULAR BUDGET&PUBLIC INVESTMENT PROGRAMME/GDP	3.08%	2.78%		-0.30%

	Secondary Education Teachers			
	6/30/10	12/31/12	Reduction	% reduction
Permanent Teachers	94264	83012	-11252	-12%
Substitute Teachers-Part time Teachers	9785	3858	-5927	-61%
<b>Total</b>	<b>104049</b>	<b>86870</b>	<b>-17179</b>	<b>-17%</b>

The reduction was mainly due to retirement. Also, the memorandum imposed restrictions on recruiting new teachers.

Source: Ministry of Education Data Processing: Themis Kotsifakis, General Secretary, OLME

## Education expenditure and GDP growth

% of government expenditure on education	% GDP spent on education	GDP % Growth
2007:		4.0%
2008:		2.9%
2009:		-2.0%
2010:		-4.5%
2011:		-6.9%

Source World Bank/IndexMundi