

## THE SOCIAL DIALOGUE IN GREECE

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In the course of the last two decades the role of organized interests in the Greek political system has become differentiated to a great degree. Whereas an issue of legitimacy had been raised, there is presently a reversal of the terms and a strengthening of their role to the point, at the turn of the new century, the celebrated social partners possess a privileged position in the legitimation of social and political choices. It should be noted that the introduction of social dialogue institutions and their establishment in the minds of the parties involved (such as, the government, the employers and the work force) has remarkably been delayed in Greece in comparison to the rest of the European Union (EU) member states. This delay is due to the lack of a social dialogue tradition, the lack of familiarization with the philosophy and the processes of such a tradition, as well as a predominant atmosphere of suspicion and conflict in the relations of the parties involved.

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For quite a period of time in Greece the term “*social dialogue*” was identified with collective bargaining leading eventually to the conclusion of the collective labour agreement (SSE). A broader use of the term increasingly started to become evident, which included:

- The autonomous social dialogue, that is, the collective bargaining among the representative organizations of the employers and the working people.
- The institutionalized deliberation of the government with delegates of the social partners conducted within established national-level dialogue structures (the Economic and Social Council by virtue of Law N. 2232/1994, the National Land Planning Council by virtue of Law N. 2742/1999, etc), as well as through the participation of the social partners in the decision-making bodies (the Boards of Directors and the Public Policy Commissions), and
- The non-institutionalized deliberation, conducted either in on-going informal agencies (e.g., the National Council on Competitiveness) or provisional for a (for example, the National Coordination Committee on the Euro), or it may assume the form of more or less structured tri-partisan or bipartisan contacts among the government and the social partners.

It is generally understood that **social partners** participating and implementing the social dialogue are the following most representative summit-level trade union organizations

of the employers and the working people who sign the General National Labour Collective Agreement (EGSSE). To be specific:

*On the part of the workers:* The General Workers Confederation of Greece (GSEE), is the only representative organisation by law on a federated level. Another leading trade union organization participating in the said dialogue is the Supreme Public Employee Unions Directorate (ADEDY).

*On the part of the employers:* a) The Greek Industrialist Association (SEV) founded in 1907. It is interesting to mention that SEV is about to change its name, most probably according to Unice, which has changed its name into *Business Europe*, b) the General Small-Industry, Professionals and Merchants Confederation (GSEVEE) in 1919 and, c) the federated organization for trade, the National Confederation for Hellenic Commerce (ESEE) founded as late as 1994, after a long delay compared to the first trade organizations which were founded in Greece at the end of the 19<sup>th</sup> century.

Other organizations may as well participate in this social dialogue process depending on the arising circumstances, such as farmer representative organizations, consumer organizations, scientific associations and the various Chambers of Greece, the delegates from local and Prefectural governments, etc.

Social dialogue in Greece nowadays yields substantial results on a national level mainly in milieus that foster positive preconditions for a culture of debate. On the contrary, with regards to the provincial,

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local and cooperative levels, the establishment of institutions and instruments by legislation favoring such social dialogue has not practically managed so far to create the necessary potential.

### INSTITUTIONAL SOCIAL DIALOGUE ON A NATIONAL LEVEL IN GREECE

The most important manifestations of this kind of dialogue processes is the participation of the representatives of the social partners in the decision-making centers, the collective bargaining for the signing of the General National Labour Collective Agreement (EGSEE) and the operation of the Economic and Social Council.

### PARTICIPATION OF SOCIAL PARTNERS IN COMMISSIONS AND PUBLIC POLICY COUNCILS

In the 90s there was a significant increase in the participation of the social partners in policy proceedings.

Representatives of the General Workers Confederation of Greece participate in 140 Committees and Council under the authority of various ministries (with dominant presence on the boards of the Ministry of Labour, the Ministry of Health, Welfare and the Ministry of National Education), in three District Councils, nine Committees of the Prefecture of Attica and Piraeus and on all the Monitoring Committees of the progress of the Third Community Support Framework.

The representatives of three employers organizations participate

in more than sixty permanent national-level structures and in many more on a local level. They also take part in deliberation committees on specific issues, such as the social security and the taxation issues. The most indicative of such participations is on the Board of Directors of the Social Security Foundation (IKA), the National Consumer Council, the National Export Council and the Organizations of Workforce Employment (OAED), in which the administration is tripartite and equally distributed, the two social partners designating their own delegate as representative. They also participate in the National Commission on Competitiveness and the Competition Committee, the Capital Market Commission, the Monitoring Committees of the Third Community Support Framework for Greece, the Boards of Directors of the Workers' Welfare Organization, the Worker's Housing Organizations, etc.

### TRADITIONAL FORMS OF SOCIAL DIALOGUE:

#### **The collective bargaining for the general national labour collective agreement**

The process applied for the negotiations and the conclusion of the General National Labour Collective Agreement is the expression of an embedded climate of social peace *par excellence*. It reflects the willingness of the parties involved (the GSEE, SEV, ESEE, GSEVEE) to commit themselves and work out mutually accepted solutions not only for worker's rights, but also for more encompassing issues pertaining to employment, vocational training, competitiveness and pro-

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ductivity, free of any state intervention or any appeal to mediation from other persons or agencies. At the same time, the maturity in the relations of the parties involved is verified by the term of the General National Labour Collective Agreement, renewable every two years as a rule.

Furthermore, the contents of the General National Labour Collective Agreement has expanded to significant degree with innovative approaches on issues pointing to the connection of the collective negotiations with employment policies and in general with social policies. Very indicative of such an approach is the establishment of the Employment-Unemployment Fund (LAEK) in 1993, whose management and funding has been undertaken solely by the social partners in question.

Moreover, recently, social partners participated in the social dialogue for the “National Reform Programme”, (NRP) according to the Lisbon Strategy. During this procedure, the role of organized interests was very important insofar as most of the remarks they made were taken into consideration by the Ministry of Economics, that was responsible for the formation of the NRP.

### **THE SOCIAL DIALOGUE IN THE ECONOMIC AND SOCIAL COUNCIL (OKE)**

The Economic and Social Council (OKE) was founded by virtue of Law N. 2232/1994 as a central platform for social dialogue with the most representative of the country's

social agents on economic and social policy issues.

The makeup of the OKE was based on the respective composition of the OKE in the EU. For this reason, it is further broken down into three groups: the first one reflects the business sector-employers, the second private sector and public administration workers, and the third the remaining productive classes (such as farmers, professionals, local municipal and community governments, the Chambers, etc). The law expressly stipulates which organizations are to participate in the OKE, which shall be federated and representative of the sector that they reflect.

The OKE exercises mainly an opinion-issuing and advisory authority over legislation bills on labour, social security, investment, internal revenue, competition, development issues among others. In the recent 2001 constitutional amendment, the OKE was granted constitutionally protected institution status (Article 82, Section 3Σ1975/1986/2001).

By March 2007, the OKE had issued a total of 174 opinions (119 of them following the request of the Ministry and 53 on its own initiative), while in the period between 1996 and 2001 the government requested the opinion of the OKE in about an average 42.3% of legislation bills pushed through to Parliament under the jurisdiction of the Commission. The actual specialty of the OKE by nature constitutes a multi-participatory and polyphonic institution (eighteen federated social and professional associations are represented on its board) aiming at

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the expression, the debate, the contest and hopefully the coalescence of the divergent interests manifested in Greek society.

In 2003 two new national-level dialogue bodies have been institutionalised: the National Employment Committee and the National Social Protection Committee. The first pursues the formation of policies favoring the increase in employment figures and dealing with unemployment, while the latter aims at confronting poverty and social exclusion.

### NON-INSTITUTIONALISED SOCIAL DIALOGUE ON A NATIONAL LEVEL IN GREECE

Besides the aforementioned permanent structures of social dialogue whether presently operating on an established basis, such as the OKE or in the process of preparation such as the National Employment Committee and the National Social Protection Committee, there are also other permanent non-institutional agencies such as the National Council on Competitiveness (ESA). The ESA commenced operations following an initiative of the Ministry of Development and the request of the Greek Industrialist Association (SEV) as an agency to help promote competitiveness in the Greek economy with no provision as to its composition.

The first attempt to conduct a general tripartite dialogue with the social partners aiming at the arrival at consensus for reforms vis-à-vis the induction of Greece in the Economic Monetary Union took place in 1997.

Following discussions that lasted for six months, an agreement was signed that came to be more widely known as the “*Government–Social Partners Confidence Agreement on the Course to the Year 2000*”.

Other significant experiences with expanded non-institutional dialogue on a national-level have been recorded during the preparation of social security and taxation reform.

The dialogue on social security was conducted in many more stages. The first stage lasted from May 1997 until May 1998, processing the proposals on measures for the direct support (*the small package*) of the social security system aiming at the rationalization and the efficient functioning of the system. The second phase of the dialogue for the promotion of the subsidy base of the social security system was inaugurated in April 2001 upon the initiative taken by the Ministry of Labour and Social Security. The course of the dialogue, however, was halted even before its formal opening due to pronounced opposition from the side of the workers. The third phase of the dialogue stated in March 2002 from a blank slate under the pressure of the EU and finally assumed the form of political arrangement of the whole issue. It was finally completed in July 2002 with the ratification of Law N. 3029/2002.

The taxation reform debate seems to be more successful and effective in that it is more structured and wider in scope. This discussion started in April 2002 and lasted for

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two months. This dialogue was conducted within the framework of the Central Coordinating Social Dialogue Committee, comprising representatives from the social agencies, political parties, the Ministry of Finance and special experts, meeting regularly under the coordination of the Secretary General of the Ministry of Finance. Both the principles and the positions processed by the Central Committee were reflected in the subsequent taxation legislation bills for the simplification of the Bookkeeping and Accounting Figures Code (KVS), the manner of paying the value-added tax (FPA) and income and capital tax.

### CONCLUSIONS

Social dialogue in Greece developed in a piecemeal and painful manner, facing many difficulties due to the long tradition of state intervention in the charting and implementation of financial and social policies. This kind of interventionism expressed in the reduction of legislation to the dominant source of regulation has contributed to the lack of a dialogue culture on the part of all the parties involved. At any rate, it should be stressed that the role of social partners has been remarkably strengthened in recent years in regard to the making of financial and social decisions. An indication of this strengthening is the tendency towards the institutionalization of permanent national-level struc-

tures of dialogue with the social partners and / or agencies or in the direction of mapping the overall national policy (OKE), either in separate policy sectors (the National Land Planning Council, the National Council on Competitiveness, the National Employment, the National Social Protection Committee).

The favorable direction that things are presently taking has been paved by a variety of factors, including the positive climate fostered by the employer and trade union summit organizations, the institutionalization of permanent organizations facilitating the convergence of these organization on the same conference room, but also by the participation of our country in the EU, where dialogue is part and parcel of the Community *acquis*. The government is drawn into committing itself to discussions with all social partners (such as, the preparation of the National Action Employment Plans) for the economic and social policies, aided by the familiarization of the leaderships of these social partner groups who have finally arrived at the philosophy of social dialogue, through the extensive participation in institutions and the committees of the encompassing European social dialogue.

Concluding we could say that the new role of the social dialogue in the Greek political system is also legitimatimating the decision making procedure.