



16.12.2013

NOTICE TO MEMBERS

(10/2013)

Subject: Summary of the EMPL delegation to Athens, Greece, on 29-31 October 2013

Summary report

A delegation of the European Parliament's Employment and Social Affairs Committee, headed by EMPL Chair Pervenche Berès (S&D, FR), and composed by the Committee Vice-Chair, Ines Zuber (GUE/NGL, PT), by MEPs Danuta Jazłowiecka (EPP, PL), Alejandro Cercas (S&D coordinator, ES) and Jutta Steinruck (S&D, DE) as well as by Greek MEPs Konstantinos Poupakis (EPP) and Sylvana Rapti (S&D) visited Athens, Greece, from 29 to 31 October 2013.

The social and employment impact of austerity measures taken to fight the economic and financial crisis and the incoming Greek presidency priorities were the main focus of the visit. The meetings took place according to the attached program of the visit.

Meeting with the Deputy Foreign Affairs Minister (EU Affairs), Mr Dimitris Kourkoulas

The meeting predominantly focused on the main priorities of the incoming Greek presidency. The Minister highlighted the priorities divided in four main chapters, i.e. growth, jobs and cohesion, further integration of the EU and the Eurozone,

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migrations, borders and mobility and maritime policies. Mr Kourkoulas underlined that Greece is assuming the Presidency of the Council of the EU at a critical moment due to the impact of the economic crisis, the extent and intensity of which and the resulting recession and unemployment undermined the trust of many citizens in the ability of the Europe to implement credible and effective policies for a return to prosperity, economic recovery and a high level of employment. At the same time, confronting the crisis through the implementation of policies of strict fiscal discipline strongly impacted social cohesion, particularly in countries directly affected by the crisis. As such, the Minister stressed that the great challenge for prosperity and stability in the EU lies in the reaffirmation of the EU's mission in the public opinion. In this context, Europe is currently being called upon to respond to the challenge of the economic crisis, safeguarding the common currency through deepening of the EMU, while promoting direct policies for confronting the recession and unemployment by stimulating growth. The Minister also indicated that in Greece after consistently implementing austerity policies, there are currently signs of a slight recovery and recovery of competitiveness for the Greek economy, and that there is also a significant lowering of the public deficit. However, the unemployment rate remains very high. Moreover, the role of the structural funds in helping the countries to re-establish economic growth and job creation, especially in the SMEs was stressed. Members expressed concern about the impact of the crisis on the social cohesion and underlined the importance of recovery of the economy and the importance of investments in view of a consistent job creation.

<p>Meeting at the Hellenic Parliament (Vouli ton Elinon) with the Committee on Social Affairs, chaired by Mr Dimitris Kremastinos, Chair</p>

MEPs took part in a lively and controversial meeting with Greek parliamentarians, members of the committee on Social Affairs, who intervened on behalf of their respective political parties. The discussion focused in particular on the impact of the austerity measures adopted following the Troika recommendations and the financial stability program under implementation. During the meeting the socioeconomic developments in Greece were discussed, namely as regards the current situation in relation to the unemployment, the high rates of emigration, especially of well-educated young persons, the wage levels, the pension and the social protection schemes. Special attention was put on the situation of people in the lowest income and pension groups and on the growing number of persons in poverty and social exclusion. An anti-memorandum feeling was clearly expressed by all political forces of the government opposition. The opposition expressed also disagreement as regards the European Union policies to cope with the crisis and its social consequences and in particular regarding the South of Europe. MEPs indicated that in these times of crisis, it is paramount to ensure the mutual understanding of the European Parliament with the national parliaments and to work together on a Europe that is geared to the needs of its citizens and considered that austerity measures should be complemented by adequate social and employment policies.

Meeting with the Minister of Labour, Mr Giannis Vrotsis and representatives of the Ministry

The Minister of Labour shortly presented the broad priorities of the upcoming Greek Presidency in the field of social affairs and also the results of policy implementation in reforming the national labour market and social security system. The Minister underlined that the last years have been particularly hard for the citizens, due to the recession and also to the deterioration of the labour market conditions. The unemployment rate is almost 27%, affecting primarily the young people, employment levels have been falling, and the number of people at risk of poverty or social exclusion has increased. Following the financial crisis a number of reforms have been undertaken, especially in the areas of employment protection, wage setting and minimum wages, severance pay, mass dismissals, arbitration, commercial shop opening hours, temporary work, measures to boost part-time work and facilitate more flexible work time. As a result, the Greek labour market became more flexible and the foundations for a more efficient market have been laid. In the short time however, the remaining high unemployment rate increases the need for measures in favour of social cohesion and to fight the effects of unemployment and help the labour force to remain and even become better adaptable to labour market needs (via the acquirement of adequate skills through education and training, etc.). The Minister also presented new policy instruments to combat red tape and help the companies to modernize and overcome obsolete practices. These new instruments are also useful for the State to exercise its control on the fulfillment or not by the companies' of their obligations as regards labour force issues. The Minister strongly underlined the government efforts to achieve growth rates accompanied by employment growth in adequate and decent conditions. MEPs raised questions on the impact of crisis on unemployment and in particular youth unemployment, the social dialogue, the work of the Troika and of the Task force, job creation perspectives and also on EU files to be discussed during the Greek presidency (e.g. Social dimension of Economic and Monetary Union, Annual Growth Survey, Youth Employment Initiative, Mobility of Workers and Posting of Workers).

Meeting with Mr Theodoros Abatzoglou, Governor of the Greek Manpower Employment Organization (OAED) and High Officers

The Governor presented the current priorities of OAED which are mainly the development of actions to be included in the Youth Guarantee Scheme, the target groups' employability and the development of new, flexible programmes enhancing labour market integration, the link of the Apprenticeship Scheme with Vocational Education and Training. The governor stressed that OAED follows a Dual System of Apprenticeship implemented in the own OAED Apprenticeship Schools. In addition OAED implements counselling and training actions required for labour market integration, and also collects unemployment data by its own Information System. OAED has also started a dialogue with social bodies, social partners and enterprises in the context of designing private-public sector employment programmes for 2014-2020. Moreover, Mr Abatzoglou shortly presented the first phase of the Public Work Programme aimed to offer 10.000 jobs to the population groups most severely

affected by the crisis in view of integration or reintegration in the labour market. The programme is also intended to support the most vulnerable groups and cover urgent needs. The Governor also stressed the OAED's reengineering and restructuring business model, i.e. restructuring services, functions and procedures, reviewing the programmes with emphasis to be given to active labour market policies and the creation of a system for identifying the education and training needs in connection to the labour market needs. The MEP's intervention were mainly focused on the Greek Youth Guarantee Action Plan, the post-apprenticeship labour market integration, the cooperation between the Task Force and OAED, the employment and economy sectors where training activities should be further developed, the types of jobs offered. At the end of the discussion the Governor underlined also the need for revision of the EU rules for State-aid schemes as concerns a) the general block exception Regulation No 800/2008/ EC which cannot be properly applied to countries with deep recession since even viable enterprises fail to fulfil the condition of a net increase in employment, and b) the "de minimis" Regulation No 1998/2006/EC, a mechanism of the Commission to control State aids, taking into account the particular employment needs of the country.

Meeting with Mr Panagiotis Kanellopoulos, Secretary General for Youth (GG Neas Genias)

The Secretary-general presented the responsibilities and the policy actions of the Secretariat general for Youth, stressed the importance of the allocations of the Youth Employment Initiative for a successful implementation of the Youth Guarantee in countries and regions displaying particularly high youth unemployment rates, stressed the potential problem of 'brain drain' of well-educated young people from countries experiencing severe economic problems towards EU member states offering favourable economic and labour market conditions. Mr Kanellopoulos particularly focussed on the Programme launched by the Secretariat general for Youth on young entrepreneurship, deploring that this dynamic idea is not cultivated in the school context. As regards the young entrepreneurship programme Mr Kanellopoulos stressed also that it aims namely to increase entrepreneurship in the rural environment and in the field of new technologies. Moreover he indicated that a "help-desk" for young entrepreneurs has been created, nevertheless he underlined that the impact of the crisis is deep and it will not be overcome automatically. Additionally, he indicated the actions by the Secretariat-general to offer vocational training programmes to young unemployed and legal aid to less-favored groups. MEPs raised supplementary questions on the reaction of the young people in Greece to the austerity measures, on migration and mobility, on employment opportunities and on the opinion of the young population about Europe. Indications were given about the Intergroup on Youth in the European Parliament. Mr Kanellopoulos gave further details on the migration reasons (concerns mainly over qualified unemployed persons), referred to the development of radical political beliefs in a part of the young, mainly unemployed, population, and stressed that the reactions to the measures to overcome the crisis are multiple, varying from forced acceptance to rejection.

Meeting with the social partners, Mr Charis Kyriazis (employers) and Mrs Elli Varchalama (employees)

The meeting started with the presentation by the employers' representatives and representatives of the Hellenic Federation of Enterprises (SEV), Mr Charis Kyriazis, Executive Vice President and Mrs Rena Bardani, Head of the Department of Human Resources. Mr Kyriazis made an overview of the financial, economic and social situation and of the reasons that according to him are the basis of the crisis in Greece, among of which there are a big, over staffed and non-flexible public sector, a lack of innovative and modernised market, a non-efficient judicial system, a non-adaptable education and training system and stressed the need for structural reforms in all sectors, including the labour market and the public sector, and for an export- oriented economy. He considered of utmost importance the establishment of a genuine and strategic growth model for Greece, which, at the opposite of the Troika program which aims only to the payment of the debt, will create the conditions to overcome the crisis and for sustainable development. He also indicated that the social partners agreed on the establishment of a guaranteed minimum income. He firmly repeated his belief that Greece has to continue the reforms undertaken and that the increase of taxation without decrease of the costs has a negative impact on the economy as a whole. MEPs asked for details as regards the wage policies, the vocational training in conjunction with unemployment, the reorientation of the austerity policy towards a policy for growth. Mr Kyriazis considered that the government policy to decrease the public deficit and to create primary surpluses was successful, nevertheless the austerity and the horizontal cuts recommended by the Troika program were not favourable both for the economy and the society.

Mrs Elli Varchalama, Legal Adviser, representative of the General Confederation of Greek Workers, GSEE, recalled the measures taken the last 3 years which resulted in structural reforms in the labour market and a dramatic change in the society. She emphasized the important problem of undeclared work, the quasi abolishment of collective conventions and the elimination of collective agreements in force in many cases, the substantive weakening of the privilege of workers' claims such as in the case of property auctions or bankruptcies, the increase in collective dismissals , the extension of the duration of work through temporary work agencies to 3 years from 12+6 months, the dramatic increase in VAT and the price increases, the wage and pension cuts, the cuts in social protection and in the health and welfare system, the increase of different forms of discrimination against vulnerable groups by the abolishment of established social benefits. In her opinion Greece become an experiment laboratory during the crisis. She firmly also underlined the drastic restrictions to the traditional trade union rights such as the right to organize and the right to free collective bargaining and the conclusion of collective agreements. Finally she drew attention to the directive to come on posting of workers as regards the safeguard of the workers' basic rights. At the meeting with the representatives from employees' and employers' organizations MEPs addressed with them the challenge of the abolishment of the collective bargaining convention, which was condemned by the

ILO as being contrary to ILO Conventions 87 and 98 on freedom of association and collective bargaining. MEPs also informed the social partners on the future EP INI enquiry report on the role and operations of the Troika in the Eurozone program countries.

Meeting with the Minister of Finance, Mr Giannis Stournaras

The impact of the pace of fiscal consolidation pursued on employment and social policy, in particular on unemployment and youth unemployment, the work of the Troika and of the Task force and other EU dimension issues such as the Social dimension of Economic and Monetary Union, the impact of austerity policies on employment and the social model, the coordination of economic and social policies, the European Semester, the Employment and Social Aspects in the 2013 AGS Report, the Alignment of Country-Specific Recommendations (CSRs) with the EU 2020 Strategy's targets, the structural reforms compatible with growth incentives and job creation, the safety nets and effectiveness of the welfare systems that deal with those affected by the crisis as well as the priorities of the incoming Greek Presidency in the field of Finance were the main issues discussed with Giannis Stournaras, Minister of Finance. Mr Stournaras stressed that as the economic crisis hits the working population first, this has two immediate effects: rising unemployment and lowering of wages. Therefore the high level of unemployment was the most evident social impact of the crisis. As regards the development of the implementation of the Troika budgetary consolidation program, he stressed that 80% of the targets set have been met and that a primary surplus has been achieved. However the severe austerity reduced incomes and some groups have suffered even more hard. The Minister stressed that the main cause of the program disappeared, i.e. budget deficit, he is therefore optimistic for the future. However there are difficult negotiations with the Troika and a divergence appeared between projections for 2014 made by the Ministry of Finance and those by the IMF and the Troika. To fill any potential financial gap, the Greek government will implement only structural and target measures. The government is prospecting to go back to recovery and positive growth soon after 6 years of continuous deep recession. During the discussion questions were raised about tax avoidance, the future banking union, the reflexion about the current and a future economic model for Europe and also the pilot project for a minimum income in Greece. Mr Stournaras agreed to the necessity for Europe to ensure adequate functioning of a free market and a sufficient social net together with the coming back of employment in the framework of sustainable economies. He also underlined that the coordination of economic policies is an issue put very high in the agenda of ECOFIN. He also confirmed that the pilot project on a minimum income of about 25 million euros will be implemented next year. As regards tax evasion, he underlined that new legislation is adopted and there is an enhanced role for the auditors.

On the remark that there is a growing worry on the incapacity of austerity policies to lead the country out of the crisis, he considered that more than the Troika role, the challenge relies on the economic model it implements as defined by the Eurogroup in the Memorandum. The persistent high level of unemployment too is of particular

concern, detrimental for the social protection system and a waste of talent and potential.

Visit of an ESF co-funded programme for subsidising enterprises in order to employ people in disadvantaged or severely disadvantaged position: Nokia, NSN Research and Development

MEPs visited the program co-financed by ESF for subsidising enterprises in order to employ 1000 young persons in disadvantaged or severely disadvantaged position, being out of the labour market for more than one year. The program was established in the framework of active labour market policies to finance, as a priority, measures aiming to maintain and/or develop the employability of long-term unemployed people. MEPs were informed by the company's manager about the company's scientific and commercial activities, specialised in mobile broadband and on advanced mobile technology. The young people employed under this programme were of high specialized technology education and they were receiving salary and social security coverage. The subsidy programme is in force for 2 years; the employment contracts offered are for an unlimited period of time.

FINAL PROGRAMME

**DELEGATION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL
AFFAIRS OF THE EUROPEAN PARLIAMENT
TO ATHENS, GREECE**

29- 31 OCTOBER 2013

25.10.2013

Individual arrival to Athens on Tuesday, 29 October 2013, morning

<i>Tuesday, 29 October 2013</i>	
15h00	Meeting at the hotel lobby
15h30-16h15	Welcome and information by the HoU European Parliament Information Office Athens, Leonidas Antonakopoulos Venue: European Parliament Information Office Building Amalias Av. 8, GR- Athens, Tel: +30 210 3271011, Fax: +30 210 32 71 058
16h45-17h15	Meeting with the Deputy Foreign Affairs Minister (EU Affairs), Mr Dimitris Kourkoulas Exchange of views on the forthcoming Hellenic Presidency Venue: Ministry of Foreign Affairs Vasilissis Sofias Av. 1, Room Sofianopoulou, Tel: +30 210 3684247

17h30 – 19h30	<p>Meeting at the Hellenic Parliament (Vouli ton Elinon) with delegation of the Committee on European Affairs and the Committee on Social Affairs, Chaired by Mr Tragakis, First Vice-President of the Parliament and Chair of the Committee on European Affairs, and Mr Kremastinos, Chair, Committee on Social Affairs</p> <p>Venue: Parliament Bulding (Vouli ton Ellinon) Constitution Square / Platia Sintagmatos, GR-10021, Athens</p>
19h30	Transfer to the Hotel
<i>Wednesday, 30 October 2013</i>	
08h30	Meeting at the hotel lobby.
9h00 - 10h30	<p>Meeting with the Minister of Labour, Mr Giannis Vrotsis and representatives of the Ministry</p> <p>Venue: Ministry of Labour, Social Security and Welfare Stadiou Avenue, 29- 101 10 Athens Tel: +30 210 33 68 252</p>
11h30 - 13h00	<p>Meeting with Mr Theodoros Abatzoglou, Head of the Greek Manpower Employment Organization (OAED)</p> <p>Venue: OAED Bulding Ethnikis Antistaseos 8, Alimos 17456 - Athens Tel: +30 210 9989000, Fax: +30 210 9989500</p>
13h15 - 14h30	Short lunch break
15h00 - 16h30	<p>Meeting with Mr Panagiotis Kanellopoulos, Secretary General for Youth (GG Neas Genias),</p> <p>Venue: General Secretariat for Youth-Ministry of Education Ministry of Education Andrea Papandreou 37, Marousi 3rd floor - Room 3077</p>

	Tel: 0030 210-2599500 Fax: 0030 210-2599507
17h30 - 19h30	Meeting with the Social Partners <u>17h30-18h30 - Employers (SEB):</u> - Mr Charis Kyriazis , Executive Vice President - Mrs Rena Bardani , Head of the Department of Human Resources <u>18.30-19.30-Employees (GESEE):</u> - Mrs Elli Varchalama , Legal Adviser Venue: European Parliament Information Office Building Amalias Avenue 8
20h00	Return to the Hotel
<i>Thursday 31 October, 2013</i>	
09h15	Meeting at the hotel lobby
10h00 - 11h00	Meeting with the Minister of Finance, Mr Giannis Stournaras Venue: Ministry of Finance, 5-7 Nikis Str.10180 Athens,(6th floor)
12h30 - 14h30	Visit of an ESF funded project Programme for subsidising enterprises in order to employ people in disadvantaged or severely disadvantaged position. Venue: NOKIA , NSN Research and Development NSN, Research and Development (Location 1) 14km Athens-Lamia National Road, Switchboard: +30 210 6247700
14h30	<i>End of the program</i>