

National Restructuring Seminars *A.RE.NA.S*

National background paper Greece

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Contents

Executive summary	p. 3
1. Introduction	p. 4
2. Restructuring –The main characteristics of the economy and employment in Greece	p. 6
2.1. Brief description of the labour market in Greece	p. 6
2.2. Employment and Unemployment in Greece	p. 11
2.3. European Restructuring Monitor	p. 18
3. Institutional framework of restructuring	p. 21
3.1. Merger	p. 21
3.1.1. Merger through absorption	p. 21
3.1.1.1 Merger through the incorporation of a new company	p. 22
3.1.1.2. Spin-off of societies anonyme	p. 22
3.2 . Actors involved in restructuring	p. 29
4. Measures and instruments for Anticipating and Managing restructuring at national, regional and local level	p. 32
4.1. Extent and description of the framework on Anticipation in Greece	p.32
4.2 Case Studies	p. 35
A. Hellenic Railways Organization	p. 35
B. Mytilineos Group	p. 38
4. 3 Measures and instruments for Managing restructuring at national, regional and local level	p. 41
4.3.1 . Measures related to the termination of labour agreement	p. 41
4.3.2 . Active and passive employment policies	p. 42
4.4. Case Studies	p. 46
A. Olympic Airways	p. 46
B. Hellenic Telecommunications Organization	p. 49
C. COCA COLA-3E	p. 50
5. Conclusions	p. 52
6. List of abbreviations used in the report	p. 57
7. Bibliography	p. 58
8. ANNEX I: Tables	p. 59

Executive Summary

In Greece, the restructuring phenomenon presents particularities in relation to most European countries, these being related with the structure of Greek economy, the lack of integrated planning before the implementation of restructuring and the lack of substantial social dialogue. Consequently, the measures and policies applying to the management of this phenomenon so as to contain the social cost are very limited.

It is evident that the effects of restructuring on labour relations and employment are significant. Maintaining a job even under more unfavourable terms is not always feasible. Often, the reorganization of an undertaking and its transformation in the form of acquisition or merger or other financial and technical reasons lead to the abolition of job positions and downsizing which, most of the times, is of collective nature.

Restructuring still jeopardizes seriously the rights of employees in Greece as well and is a cause of concern as regards the form and continuity of their employment in the merged undertaking. Experience shows that also in Greece mergers lead to decreased employment and deregulation of labour laws, which is usually manifested by practices such as replacement of salaried employment by independent work (outsourcing); flexibility in the terms and conditions of work; intensity of the work speed; problems in the way employees are represented and, generally, a sentiment of insecurity for the employees.

1. Introduction

The intensity of the restructuring phenomenon is a main characteristic of contemporary economies in a period of unprecedented surge of capital concentration. This phenomenon is usually linked with serious developments regarding employment and the content of employee relations of involved undertakings.

The institutional interventions aiming to protect the rights of any employees threatened in view of restructuring at EC or national level initially anticipate the safeguarding of working rights during the transition of the undertakings involved to the new ownership regime without, however, being able to prevent the negative developments in employment and labour relations that either precede or follow, as is usual, any changes in ownership regime.

The changes in the field of labour relations, which also either precede or follow, as is usual, acquisition and merger activities, are due to the establishment of new internal regulations to which the new ownership regime of undertakings leads, as well as to the negotiations held under new terms with respect to the content of collective agreements mainly in regard to the newly-hired personnel.

In Greece, the restructuring phenomenon follows the international trend of growth with particular intensity mainly at the end of the nineties while its principal manifestation lies in takeover in the form of acquisition of part or even the total of share capital. Undertakings having their registered offices in the Greek territory seem to dominate such restructuring, giving the impression that it is capital concentration falling strictly within the Greek boundaries. A large part, however, of the Greek undertakings involved in such procedures are subsidiaries of foreign companies.¹

The sectors with the most activity in Greece are those of services thus following the overall international trend (banks, insurance, retail and wholesale trade, IT), while the construction sector and the food & beverage industry are also very active contrary to the international stage. Multi-sector mergers are also considerable with their main feature being the focus on the main sector of activity and the attempt to gain access to the market through the acquisition of companies of similar activities such as IT

¹ G. Kouzis (responsible for scientific matters), A. Stamati, A. Matzouranis, K. Boukouvalas, Ch. Karakioulafi "Business acquisitions and mergers: Effects on employment and labour relations. Theoretical and empirical analysis", INE/GSEE-ADEDY, Athens 2008

companies intervening in the e-commerce field or banks controlling undertakings in a variety of segments of the service sector.

A particularity of the Greek economy, which is directly linked with and affects the procedure and nature of restructuring in Greece, lies in the fact that it is based on small and medium-sized enterprises (SME), namely enterprises employing 1 to 20 persons (70% of GDP is generated by enterprises employing more than 50 persons while the remaining 30% of GDP is generated by enterprises employing up to 50 persons). Owing to this characteristic, it is difficult to record the restructuring phenomenon in Greece and to trace policies and strategies to deal with their effects at economic level and at the level of employment and labour relations.

Planning the restructuring in Greece is decided exclusively by the undertaking's Management (in the case of major enterprises where it appears more often) or the individual employer without any prior consultations with the employees or the State so as to further adopt measures, policies and infrastructures to evaluate such restructuring. Therefore, the means and tools used for anticipating, preparing and dealing with the consequences of restructuring are limited.

2. Restructuring –The main characteristics of the economy and employment in Greece

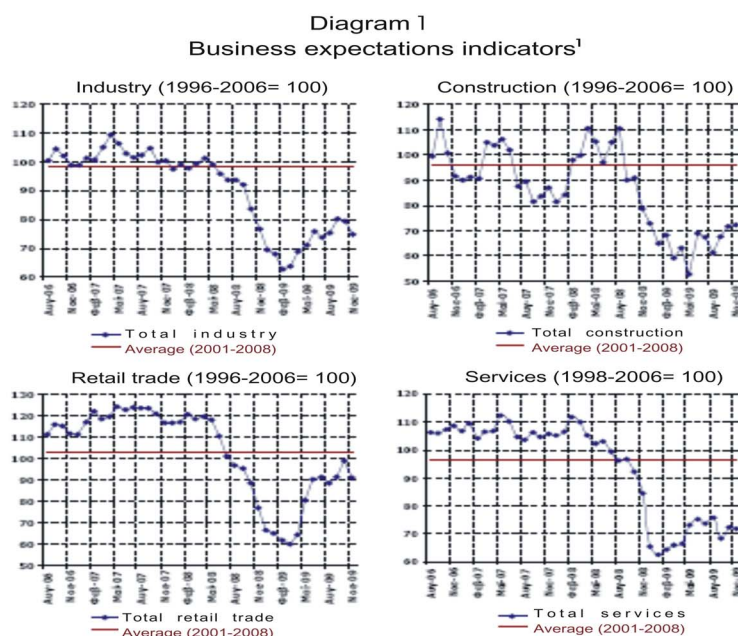
2.1. Brief description of the labour market in Greece

The Greek economy presents particularities in relation to other European countries and affects to a large extent and shapes the labour market together with the system of labour relations. The economy in Greece is traditionally characterized to a large extent by its rural nature, the lack of heavy industry but also by the investments in service sectors. Over the last 20 years and under the sustained influence of the European Union, the rural sector records a decrease to the benefit of those employed in the tertiary sector and, generally, the active population undergoes significant changes.

According to recent statistical data (Foundation for Economic and Industrial Research, 2009), business activity in Greece at sectoral level (industry, construction, services, trade) has declined during 2009.

In this context, the decline is more important in construction, trade and manufacturing. In services, the change depends on the sector of activity but the overall trend in this sector is also downward.

Diagram 1
Business expectation indicators



1. A base period rather than a base year is used in the calculation of the indicators. Thus, the industry, construction and retail trade sectors have a common base period (1996-2006=100) while the period (1998-2006=100) is used for Services since there are no measurements for the sector prior to 1998. This change allows a more accurate representation of the fluctuations of business expectations over a long period of time while also giving the opportunity to establish comparable separate sectoral indicators. Source: IOBE

The goods exports were also on a downward trend during 2009 in relation to 2008 (a 17.9% decrease) followed by imports (-1.3%) which are at the level of 2007.

These adverse developments in business activity per sector are also reflected in the labour market with unemployment rising to 10.6% (November 2009) from 7.8% (November 2008).

The Greek particularity of the quite low percentage of salaried employment and the increased self-employment rates should be stressed. Moreover, the structure of the labour market is significantly fragmented due to the host of small and medium-sized enterprises and also because of the intensified trend for larger development of the contracting and subcontracting phenomenon. The increasing rise in atypical employment and the extent of grey economy, which accounts for a significant portion of the Greek GDP (30-35% of GDP as per estimates) result in the intensification of multiplicity, fragmentation and lax regulation of labour relations.

Concurrently, the accession of immigrants to the Greek labour market has considerably affected its state given that according to surveys and recent data the number of immigrants having accessed the labour market accounts for 1/10 of the total labour force (9.6%),² and stands at 431,300 persons, of whom 416,145 are legally employed.

In addition, amongst other factors actually shaping the Greek economy figures the entry of women in salaried employment with its specific particularities: concentration in certain economic sectors, difficulty to reconcile work and professional life, inequality in pay. All the more, in Greece there is a high percentage of women employed -either on a paid basis or as assisting and unpaid members-- in family businesses. The role of family in Greece as regards the income of employees should also be stressed. The Greek family, as social institution, still preserves to a large extent the balance, owing to the multiple economic relations and exchanges noticed among its members.

In detail, the composition of the employed labour force in Greece (4,381,936) is as follows: employers 352,173 (8.04%), self-employed persons 967,495 (22.08%), salaried employees 2,784,761 (63.6%), assisting members 277,507 (6.3%), thus

² S. Robolis: Immigration to and from Greece, Epikentro, Thessaloniki 2007

presenting the lowest percentages of salaried employment in Europe and all the more being far from the average EC level by 20%.³

As indicated above, a fundamental element of the Greek economy concerns the size of Greek enterprises. More specifically, the Greek labour market is characterized in principle by small and medium-sized enterprises, 98% of which employ 1-10 persons with the result of having the largest portion of employed persons (see Table 1).

Table 1 *

Employed persons per size of enterprise, 2008, 2009

NUMBER OF PERSONS 2009						
Up to 10 persons	11-19	20-49	OVER 50	Unknown No but up to 10	Unknown No over 10	TOTAL
2,621,448	470,777	340,461	470,411	245,308	383,508	4,531,913
57.8%	10.4%	7.5%	10.4%	5.4%	8.5%	100.0%
NUMBER OF PERSONS 2008						
Up to 10 persons	11-19	20-49	OVER 50	Unknown No but up to 10	Unknown No over 10	TOTAL
2,602,015	491,173	346,368	481,084	254,147	407,340	4,582,127
56.8%	10.7%	7.6%	10.5%	5.5%	8.9%	100.0%
CHANGES IN THE NUMBER OF PERSONS, 2008-2009						
Up to 10 persons	11-19	20-49	OVER 50	Unknown No but up to 10	Unknown No over 10	TOTAL
19,433	-20,396	-5,907	-10,673	-8,839	-23,832	-50,214

Source: General Secretariat of National Statistical Survey of Greece (ESYE), Workforce Survey of 2008 and of the second quarter of 2009

*see ANNEX I for evolution/trends

In 2006, the average monthly gross pay in Greece came to € 1,441 compared to € 2,110 on average in the EU-15, while economic inequalities are noticed since the

³ G. Kouzis, The characteristics of the Greek Trade Union Movement, Gutenberg, Athens 2008

income of 20% of the most prosperous Greeks is systematically almost six times the income of 20% of the less prosperous Greeks⁴.

Unemployment, which currently stands at 9.6% according to the official statistics, is still at high levels and doubled by the closure of many enterprises --especially of small and medium size--, reduction of hires in the public sector and privatizations still gives rise to considerable concern while affecting particularly the young people, women and those close at retirement age.

Labour relations in Greece are mainly the object of legislative regulation. Main institutions such as trade union freedom, trade union organization, going on strike and collective bargaining are areas where the legislator intervenes on the one hand and the Constitution safeguards on the other. However, a particularity of labour law lies in the statutory protection of collective autonomy which has increased formal effect and substantially enables the representatives of both employers and employees to define and regulate on an autonomous basis the content of labour relations by concluding collective labour agreements, arbitration awards and working regulations thus establishing more favourable limits of protection for employees.

Individual labour relations are the subject-matter of legislative regulation or collective autonomy but develop through a wealth of case-law which also contributes to the development of labour law. At this point it should be highlighted that labour law in Greece is not codified as in other European countries, a fact which many a time generates problems as regards its implementation.

The international rules of law and especially the Community social law, after the adhesion of Greece in the EU, are a new source of Greek Law and have a direct impact on the Greek legal order through the harmonization of social laws implemented through the directives issued. Up to date, relevant instructions have been issued referring to topics such as collective dismissals; the preservation of employees' rights in case the undertaking is transferred; employees' protection in case of employer's insolvability; part-time employment; fixed-term contracts; equality of both sexes; prohibition of any discrimination at work; occupational health and safety, all of which have been incorporated in the Greek Law and apply directly to the Greek legal order.

⁴ Eurostat: Structural Indicators 2007. Brussels 2007.

The way trade unions are established and operate is regulated by Law 1264/1982 which establishes the criterion of representativeness as a fundamental notion of the Greek Law and fundamental function in labour relations.

Trade union associations are categorized as primary, secondary and tertiary with the union being the principal and important form of trade union organization. Such union is organized in principle at enterprise or profession level while federations make up the main corpus of trade union associations and are the vertical structure of trade union movement in Greece. These associations together with Labour Centres are the secondary trade union association. Confederations are ranked at the top of the hierarchical structure and especially the Greek General Confederation of Labour (GSEE) which signs the National Framework Agreement on Employment Conditions (EGSSE), thus setting the minimum framework of protection as well as minimum pay in the private sector. The public sector and in particular the field of civil servants are represented by a separate association named ADEDY, that is Supreme Administrative Council of Greek Civil Servants, which concentrates all federations, panhellenic associations and annexes.

Works councils (a body of cooperation at enterprise level which employs more than fifty persons), although formally established by Law 1767/1988, have not been developed in Greece.

In Greece, union density is at low levels, standing at 28% (739,629 union employees out of a total of 2,635,832 salaried persons as average salaried employment during the period 2002-2004 when elections were held for nominating the representatives of both GSEE and ADEDY Boards)⁵.

On the other hand, Greek employers are traditionally organized per sector of economic activity (industry, trade, merchant shipping, banks, and handicraft) having as main representatives the Hellenic Federation of Enterprises (SEV), the Hellenic Confederation of Greek Trade (ESEE), the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE) and the Hellenic Bank Association (ETE), which is the most important employer's organization. However, the lack of a single central representative body of employers generates, among others, problems to the negotiations and signing of collective labour agreements.

⁵ G. Kouzis, *The characteristics of the Greek Trade Union Movement*, Gutenberg, Athens 2008

The principal way to settle any collective disputes lies in intermediation and arbitration, as detailed in Law 1876/1990, and enables the interested parties themselves to set the terms and procedures of collective dispute settlement.

Aside from collective bargaining, social dialogue in Greece is held via the Economic and Social Council of Greece (OKE), the mission of which is to conduct social dialogue on the overall policy of Greece and especially the directions of the economic and social policy and to formulate an opinion on the bills and legislative proposals referred to the same.

The OKE seeks to promote social dialogue and through the latter to shape (if possible) jointly acceptable positions on issues of concern for society as a whole or specific social groups. The OKE does not aim to mitigate the different ideological and political views but, by presenting the different arguments and proposals, to put forward the joint social component, if any or if it can be established.

In addition, through its proposals and opinions, the OKE attempts to maximize social benefit or to minimize the eventual side-effects generated by the implementation of the separate decisions made by executive and legislative power.

The current developments at both international and European level have affected the development of labour relations in Greece as well. The signs of influence manifest themselves in various forms such as the intensity of privatizations, mergers and acquisitions; the trend to restrict the public sector of economy; the pressures exercised for expanding and intensifying the flexibility of the Greek labour market; and the efforts made to underestimate the role of collective bargaining and to weaken the role of the trade union movement.

Over the last three years, the flexibility of the Greek labour market has been enhanced by the establishment of practices such as, *inter alia*, the arrangement of working time and reduction of overtime cost; and the extension of part-time employment in the public sector in conjunction with the changes in the working status in public corporations and in the field of social security.

2.2. Employment and Unemployment in Greece

The male and female working population in Greece stands at 7,220.3 and accounts for 78% of the Greek population aged over 15. Although men and women are equally (50%) represented in the working population, they differ in their representation rates in the economically inactive population aged 15-64, where women account for over 2/3 (67.5%). The reason is that men take part in the labour market to a larger degree

than women do as, in terms of productive age, 21% of men are out of the labour market as against 44% of women.⁶

Table 2 *

Working population in 2009 by gender, and its changes

YEAR Gender	2008		2009		2008-09	
	Population	Economically Inactive	Population	Economically Inactive	Population	Economically Inactive
Both genders	7,228.2	2,374.0	7,220.4	2,333.0	-7.8	-41.0
Men	3,615.2	752.5	3,613.5	759.2	-1.7	6.7
Women	3,613.0	1,621.5	3,606.9	1,573.8	-6.1	-47.7

Source: General Secretariat of ESYE, Workforce Survey of 2008 and of the second quarter of 2009. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G. Kritikidis)

*see ANNEX I for evolution/trends

According to the data of the second quarter of 2009, the Greek male and female workforce stood at 4,974,476, out of whom 4,531,914 were employed and 442,562 were unemployed. In addition, the unemployment rate over the same period increased more than one and a half percentage points as compared to 2008 (8.9% as against 7.2%).⁷

The employed young people up to 29 years of age were 817,740 and accounted for 18% of all employed individuals. 40.7% of them were young women. Women's employment accounted for 39.8% of total employment.⁸

In 2009, 2/3 of all employed persons work in the service sector, more than 1/5 in the secondary sector, and more than 1/10 in the primary sector (67.2%, 21.1% and 11.7% respectively).

The global economic crisis has had a significant effect on employment in Greece. This fact is confirmed by recent data which reflect a reduction in employment rates over the last year. The following table shows the changes in the Greek workforce in 2008-2009.

⁶G Kritikidis, *Employment and Unemployment in the Second Quarter of 2009 in Greece*, Journal *Enimerosi INE*, Issue 165, October 2009

⁷ See footnote 5.

⁸ See footnote 5.

Table 3 *

Workforce changes in 2008-2009 by gender

	Workforce	Employed Individuals	Unemployed Individuals
Both genders	35,204	-50,214	85,418
15-29 years of age	-15,409	-34,639	19,230
30 years of age & over	50,613	-15,575	66,188
Men	-10,138	-58,252	48,114
15-29 years of age	-7,701	-20,192	12,491
30 years of age & over	-2,437	-38,060	35,623
Women	45,346	8,039	37,307
15-29 years of age	-7,709	-14,448	6,739
30 years of age & over	53,055	22,487	30,568

Source: General Secretariat of ESYE, Workforce Survey of 2008 and of the second quarter of 2009.
Processed by INE / GSEE-ADEDY (G. Kritikidis)

*see ANNEX I for evolution/trends

The number of part-time employed men and women stood at 272,440. The rate of part-time employment reached 6.0% as compared to 5.5% in the previous year. This increase accounted for 22,380 individuals, and more than half of the change rate (12,390 and 55.5%) related to women's employment.

Table 4 *
Changes in full- and part-time employment in 2008-2009

	Second Quarter of 2008	Second Quarter of 2009	Second Quarter of 2008- 2009	Second Quarter of 2008- 2009 (%)
TOTAL NUMBER OF EMPLOYED INDIVIDUALS	4,582,127	4,531,915	-50,212	-1.1%
FULL-TIME EMPLOYMENT	4,332,065	4,259,475	-72,590	-1.7%
PART-TIME EMPLOYMENT	250,062	272,440	22,378	8.9%
<i>% OF PART-TIME EMPLOYMENT</i>	5.5	6.0		
YOUNG PEOPLE 15-29 years of age	Second Quarter of 2008	Second Quarter of 2009	Second Quarter of 2008- 2009	Second Quarter of 2008- 2009 (%)
TOTAL NUMBER OF EMPLOYED INDIVIDUALS	852,378	817,740	-34,638	-4.1%
FULL-TIME EMPLOYMENT	784,880	736,918	-47,962	-6.1%
PART-TIME EMPLOYMENT	67,498	80,822	13,324	19.7%
<i>% OF PART-TIME EMPLOYMENT</i>	7.9	9.9		

Source: General Secretariat of ESYE, Workforce Survey of 2008 and of the second quarter of 2009.
Processed by INE / GSEE-ADEDY (G. Kritikidis)

*see ANNEX I for evolution/trends

Another characteristic of part-time employment was an increase in the number of the persons who were not able to obtain a full-time position and so accepted a part-time position, that is those workers who took up part-time employment out of necessity rather than choice. These workers accounted for 47.6% of all part-time employed individuals as against 41.5% in the previous year. Their percentage increase stood at 25% and was greater than the increase in absolute numbers in part-time employment (25,860 men and women).⁹

Roughly 40% of 442,560 unemployed individuals were young people aged 15-29 (175,330 young people). Their unemployment rate stood at 17.7% as against 15.5% in the previous year, an increase that accounted for 19,230 young men and women.

Over the same period, the number of unemployed individuals over 30 years of age increased considerably by 66,190 or 33%.

By looking into the main bulk of the unemployed who had worked in the past, we found that they came mainly from the industries of Hotels and Restaurants, Manufacturing, Trade and Construction. In the aggregate, the unemployed in these industries were 176,100 and accounted for 57% of all unemployed persons who had worked in the past (312,815 unemployed individuals).

⁹ See footnote 5.

Table 5 *

Age groups of unemployed persons who have worked in the past in the main branches of economic activity (2009)

Unemployed Persons (2009) Branches of Economic Activity	Unemployed persons who have worked in the past	15-29 years of age	30 years of age & over
Both genders	312.8	86.1	226.8
Manufacturing	47.2	8.5	38.7
Construction	35.2	10.0	25.2
Wholesale & Retail Trade	45.5	15.0	30.5
Operations of Accommodation Services, etc.	48.2	16.2	32.0
Total of the four branches above	176.1	49.7	126.4
<i>Percentage share of the 4 branches (%)</i>	56.3%	57.8%	55.7%
<hr/>			
Changes in the Number of the Unemployed 2008-2009	Unemployed persons who have worked in the past	15-29 years of age	30 years of age & over
Both genders	86.0	24.6	61.4
<i>Manufacturing</i>	13.1	1.0	12.1
<i>Construction</i>	21.0	4.5	16.5
<i>Wholesale & Retail Trade</i>	9.0	3.1	6.0
<i>Operations of Accommodation Services, etc.</i>	10.9	5.0	5.9
Total of the four branches above	54.0	13.6	40.4
<i>Percentage share of the 4 branches (%)</i>	62.8%	55.2%	65.8%

Source: General Secretariat of ESYE, Workforce Survey of 2008 and of the second quarter of 2009. Processed by INE / GSEE-ADEDY (G. Kritikidis)

*see ANNEX I for evolution/trends

Considering the flows into and out of employment in the second quarter of 2009, we find that the balance between filling the employment positions that were created and filling the employment positions that were lost was negative.

More specifically, over the second quarter of 2009, 170,856 employment positions were created, whereas approximately 185,268 persons left employment. Concerning

the employment positions that were lost, 112,122 formerly employed individuals are currently jobless, a fact that is associated with the results of the economic crisis and in particular the increase in lay-offs (Table 6).

Table 6 *

Flows into and out of employment, position-filling percentage

FLOWS INTO EMPLOYMENT (*Inflows*)

YEAR	from the UNEMPLOY ED group	from the ECONOMICAL LY INACTIVE POPULATION	TOTAL INCOMING WORKERS
2004	127,400	84,600	212,000
2005	123,900	93,100	217,000
2006	115,100	79,300	194,400
2007	95,600	77,100	172,700
2008	102,850	75,145	177,995
2009	90,230	80,626	170,856

FLOWS OUT OF EMPLOYMENT (*Outflows*)

YEAR	into the UNEMPLOY ED group	into the ECONOMICAL LY INACTIVE POPULATION	TOTAL OUTGOING WORKERS
2004	98,300	105,100	203,400
2005	114,500	116,500	231,000
2006	77,000	86,800	163,800
2007	70,200	81,900	152,100
2008	61,360	80,950	142,310
2009	112,122	73,146	185,268

Source: General Secretariat of ESYE, Workforce Survey of 2004-second quarter of 2009. Processed by INE / GSEE-ADEDY (G. Kritikidis)

*see ANNEX I for evolution/trends

Investigating the reasons for which these former workers gave up employment, we find that 1/4 of them (44,680 individuals) did so because of retirement. Other important reasons for leaving employment are given below in two categories.

Category 1: Due to either dismissal or limited-term employment (103,025 individuals or 55.6%)

Category 2: Due to resignation not only on personal or family grounds but also on grounds that they did not wish to mention (other reasons) (29,140 individuals or 15.7%)

After excluding the persons who retired and the persons who gave up employment due to illness or incapacity for work, there remained 134,890 men and women out of the total number of those who left employment. Roughly 3 in 4 of these men and women did not any longer work because they had been laid off or had had limited-term employment which had ended (see Table 7).

Table 7
Reasons for which persons who were employed in the previous year
stopped working in 2009, and their flows

Reasons for stopping work	Total	Flows into the Unemployed group	Flows into the Economically Inactive Population
TOTAL	185,268	112,122	73,146
Dismissed for various reasons	54,005	51,301	2,704
Work of a limited period that ended	49,020	40,888	8,132
Carers of small children or dependent adults	1,383	420	963
Resigned on personal or family grounds	9,970	5,683	4,287
Education or training	1,231	543	688
Army enlistment	113		113
Illness or incapacity for work	5,692	735	4,957
Early retirement	2,681		2,681
Retirement	42,002	292	41,710
Other	19,171	12,260	6,911

Source: ESYE, Workforce Survey of the second quarter of 2009. Processed by INE / GSEE-ADEDY (G Kritikidis)

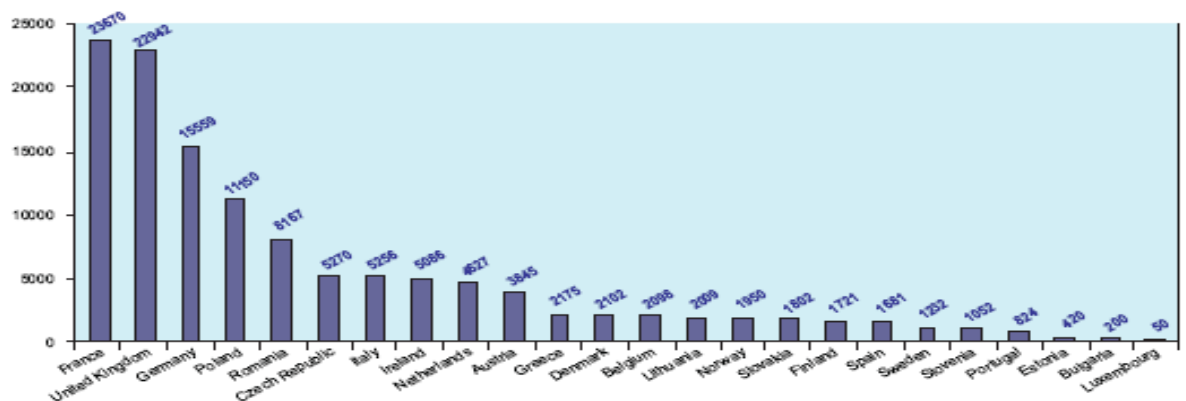
2.3. European Restructuring Monitor

Interesting data about the effects of restructuring in Europe and Greece has been gathered by the European Restructuring Monitor (ERM).¹⁰

According to the most recent data (that concerns trends that appear after worldwide economic recessions), the frequency with which restructuring occurs in Greece is about the same as the European average (see Diagram 1).

Diagram 2
Downsizing in the EU, by country

Figure 4: Job reduction, by country



Source: ERM, 1 April–30 June 2009

The main type of restructuring in Greece consists of internal restructuring, followed by bankruptcy, business closures and mergers & acquisitions.

When we break it down by industry, we can see that most restructuring occurs temporally in service industries (transport, communications, and financial services), trade and manufacturing (tables 8 & 9).

Table 8
Mergers per industry in Greece, 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009
MANUFACTURING	1				5	3	5	5
TRANSPORTATION	–	1			4	3	8	9
COMMUNICATION	–							
OTHER SERVICES								
TOURISM					1			

¹⁰ The methodology used by the European Restructuring Monitor is based on the collection of data (mainly in publications) concerning the restricting of corporations that employ more than 100 people.

TRADE		2			3	2	7	1
FINANCIAL SERVICES					3	1		6
AGRICULTURE							1	1

Source: ERM 2002-2009, Processing, Elena Kousta

Table 9
Employment & Job losses in Greece per industry, 2002-2009

	2002		2003		2004 *	2005 *	2006		2007		2008		2009	
	Employment	Job losses	Employment	Job losses			Employment	Job losses	Employment	Job losses	Employment	Job losses	Employment	Job losses
MANUFACTURING	432	432					26.938	1.827	*	400	2.760	2.400	6.909	1.870
TRANSPORTATION COMMUNICATION OTHER SERVICES			296	296			12.810	1.230	9.000	4.500	34.670	4.225	21.309	6.937
TOURISM														
TRADE			270	270					235	235	3.344	548	210	120
FINANCIAL SERVICES							13.200	412					11.383	3.270
AGRICULTURE											300	*	400	400

Source: ERM 2002-2009, Processing, Elena Kousta

*There are no available data

3. Institutional framework of restructuring

In Greece, the process of business merger – conversion (societes anonyme, limited liability companies or undertakings of other legal personality) is rigorously regulated (through bureaucratic formalities) by the provisions of Codified Law 2190/1920¹¹, as for societes anonyme (as amended by Law 3604/2007 and currently in force) in conjunction with the provisions of Legislative Decrees 1297/1972 and 2166/1993, (which establish tax incentives nurturing the phenomenon of undertaking transformation) and doubled by other provisions on companies of other legal personality.

According to the Greek institutional framework, the main ways to transform undertakings are divided into mergers, as these are split into different types in line with their kind, and into acquisitions of enterprises.

3.1. Merger

Merger shall mean the combining of two or more undertakings into one, when one undertaking acquires another and absorbs it in a single business structure, while maintaining the initial corporate identity of the merged undertaking. In particular, mergers are categorized as follows:

3.1.1. Merger through absorption

Merger through absorption (as regulated by Articles 68-77 of Codified Law 2190/1920) shall mean the act by way of which one or two societes anonyme (absorbed), which are wound up without any liquidation beforehand, transfer to another existing company (absorbing) their entire property (assets and liabilities) in exchange for shares issued by the absorbing company to their shareholders and eventual payment of a sum so as to offset any shares to which they are entitled. This amount cannot exceed 10% of the nominal value of the shares granted to the shareholders of absorbed companies and together with the value of such shares, it should not exceed the value of the equity of these companies' contributed assets.¹²

In addition to the simple absorption, note should be made of the special case of absorption of a societe anonyme by another societe anonyme which owns all (100%) of the former company's shares (article 78 of C.L. 2190/1920).

¹¹ Articles 67-89 of Law 2190/1920, as amended by Law 3604/2007

¹² M. Leontari: Conversion – Merger – Spin-off of companies, Athens 2002

Also, the acquisition of one or more sociétés anonyme by another société anonyme is assimilated to absorption (article 79 of C.L. 2190/1920).

3.1.1.1. Merger through the incorporation of a new company

Merger through the incorporation of a new company shall mean the act by way of which two or more sociétés anonyme, which are wound up without any liquidation thereafter, transfer to a société anonyme that they set up their entire property (assets and liabilities) in exchange for shares issued by the new company to their shareholders and eventual payment of a sum so as to offset any shares to which they are entitled. This amount cannot exceed 10% of the nominal value of the shares granted to the shareholders of the companies that are wound up and together with the value thereof, it should not exceed the value of the equity of these companies' contributed assets.¹³

3.1.1. 2. Spin-off of sociétés anonyme

A spin-off of sociétés anonyme takes place when a société anonyme (spin-off), without going through the stage of liquidation and without any distribution of its assets, is wound up and its entire property (assets and liabilities) is transferred to other existing or newly-established sociétés anonyme (called beneficiaries) while the spin-off no longer exists after completion of such process.¹⁴

On the other hand, **acquisitions** refer to the transfer of the entirety or majority of an undertaking's ownership (acquired) to another (acquirer) company that pays the respective price. This transfer usually takes place through the purchase/ exchange of shares via the Stock Exchange or through payment of cash; moreover, on many occasions the acquisition of a minority of shares shall suffice to provide the acquirer with substantive control if such act affects the Management of the undertaking or the other ownership shares are fragmented.

More specifically, the acquisition of sociétés anonyme, as assimilated to the form of merger through absorption, happens rarely in practice while very often at both global and Greek level the acquisition of shares portfolio of a société anonyme is used; this means that the acquired company continues to exist as a separate legal entity even after the acquisition of its shares but merely "changes hands" through such acquisition.

¹³ Par. 1, article 80 of C.L. 2190/1920.

¹⁴ Article 81, C.L. 2190/1920

The following practices are mainly used in the acquisition of undertakings by applying the method of acquisition of shares portfolio:

During the first process, which is the one that is usually implemented, both interested companies, after a preliminary period, jointly agree upon the price of the acquisition.

In the context of the second process, a natural or legal person declares in public to the shareholders of the *societe anonyme* to be purchased that they intend to buy their shares at a price higher than the stock exchange value in order to place the company under its control (public offering procedure).

Finally, during the last few years, the tactic of hostile takeover is implemented. In this case, the management of the company to be purchased does not have the majority of the shares of the company it manages. Thus, another company purchases in part, through the stock exchange, shares of the company to be bought so as to reverse the company's management and acquire it.

In addition to the foregoing, restructuring includes the case of undertaking relocation and the instances of an undertaking's interruption of operation in the form of closure or bankruptcy, in which the institutional framework is different.

Mergers and acquisitions of undertakings, aside from the financial changes and effects they bring about, entail serious risks about the persons working in the transformed undertakings. In case the employer changes and especially in the event of undertaking restructuring, irrespective of the form it takes, the outcome of labour relations falls under fundamental issues of Labour Law. Ultimate interests of employees depend on the treatment of this issue such as the protection of job positions and the protection of the content of (the terms of) the labour agreement.

Until Presidential Decree No 178/2002 was issued, as it amended P.D. 572/1988, the problem of labour relations' outcome in the case of restructuring, merger and acquisition of undertakings was treated by construing the fragmentary provisions of the Greek Labour Law that already existed with respect to this issue.¹⁵ Community Directive 98/50/EC was transposed into Greek Law through P.D. 178/2002, such directive having supplemented and amended Directive 77/187/EC relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses (transposed into Greek Law through P.D. 572/1988).

¹⁵ Article 6, par. 1, Law 2112/1920; Article 9, par. 1b dated 16.7.1920; 8 of P.D. dated 8.12.1928 and Article 6, par. 2 of Law 3239/1955

P.D. 178/2002 seeks to attain a global regulation of the issue of consequences entailed for employees from restructuring and in particular: a) To protect the substance and content of the labour relations existing within the acquired or merged undertaking (transferor); b) to settle the responsibility for both old and new employers; c) to secure continuity of validity of collective law's provisions that regulate the terms and conditions of work; and d) to ensure the employees' participating rights and their representation in the undertaking transformed. However, although legal context was established according to the requirements of EU laws, the pressures exercised on vested working rights are serious and undisputable. The frequent lack of integrated business and social plan of merger and acquisition gives rise to significant problems in the quality of both employment and labour relations. Greek experience shows that M&As have led to an explicit decrease in jobs and in the quality of labour relations.

At this point, we will attempt to present in brief the Greek institutional framework, as established by way of P.D. 178/2002, and its adequacy as regards the safeguarding of the employees' rights in the undertakings involved in M&As.

P.D. 178/2002 refers to transfers of undertakings, businesses or parts of businesses, irrespective of the manner these take place, and to general terms including the cases of mergers and acquisitions of undertakings.¹⁶ P.D. 178/2002 does not set out any explicit definition of the time at which the transfer of an undertaking takes place but it should be admitted that this occurs when the successor employer acquires the actual and operating power to manage the undertaking, the business or part of the business.¹⁷ Once the successor assumes the organizational control of the undertaking transformed, in principle such successor is in position to exercise the managerial prerogative in relation to employees and, thus, concretize its organizational powers and shape the organization of the undertaking and the productive working process.

Pursuant to article 4(1) of P.D. 178/2002: "Through the transfer and as of the date thereof, all existing rights and obligations of the transferor arising from the labour agreement or relation are transferred to the successor". However, at the same time, the initial employer shall also be jointly and severally liable to the successor about the obligations having arisen from the labour relation until the date of transfer. In addition, pursuant to article 4(2) of the above P.D., following transfer of the

¹⁶ Supreme Court 198/1966, Bulletin of Labour Law 1969.504, 650/1982 Labour Law Journal 1982. 648, Patras Court of Appeals 61/1988 DEN 1988.1033

¹⁷ Thomas Kamenopoulos "The legal effects of an undertaking's transfer on labour relations", Labour Law Journal 1996, 1045 et seq.

undertaking (on this occasion, the acquisition or merger), the successor (the acquired or merged undertaking) should abide by all the terms and conditions of work that are stipulated in the collective labour agreement, arbitration award, internal work regulations or individual labour agreement.

Through the change in the employer, according to Greek Law, and generally the transfer of the undertaking, it is attempted to maintain the labour relation that existed between the old employer and the employee; thus, this change should not have any effect on the substance or the content of labour relations within the transferred undertaking.¹⁸ Of course, in practice, neither the "old" nor the "successor" employer are prevented from bringing changes to the content of labour relations at a period before or after the announcement on the planned restructuring of the undertaking. Often, when the "old" employer plans the merger or acquisition of its business, he paves the way for its venture by creating adequate circumstances for the acquisition through various methods (dismissals before such act, non-replacement of withdrawing employees by new ones, intensification of work speed).

The protection provided by P.D. 178/2002 refers to the rights and generally working interests of employees. The provisions apply to rights arising from the labour relation, irrespective of the validity of the labour agreement. In all events, what is of interest is the capacity of the employee, regardless of the form of employment. Therefore, part-time employment agreements, fixed-term labour contracts and temporary labour relations (lending of employees, seasonal work) fall under the scope of the presidential decree¹⁹.

This protection, however, concerns solely agreements that exist on the date of restructuring and does not signify that they will be maintained or that they should be renewed after they expire, without generating any obligation of the new employer to maintain them at a posterior time. Experience shows that the "successor" employer, in the long run, chooses atypical forms of employment (contracts) in order to replace dependent work. All the more, at this point, it should be stressed that the protection granted to employees by P.D. 178/2002 on the safeguarding of their rights and on the terms and conditions of work before the transfer of an undertaking or a business or part of a business does not extend to those hired after the merger or acquisition.

¹⁸ By way of example, Supreme Court 416/1989 Labour Law Journal 49,339, Supreme Court 469/1992, Supreme Court 891/1992, Supreme Court 889/1992 Labour Law Journal 52, 452 et seq.

¹⁹ I. Koukiadis, Labour Law, Sakkoulas Editions, Thessaloniki, 2006

As already cited, the legislator attempts to secure the content and terms of the labour relation since all rights of the employees are transferred to the successor employer.²⁰ In other words, the transfer of an undertaking is not allowed to have any adverse effects on employees. The rights and obligations arising from a labour agreement should be automatically transferred to the successor employer to the extent and with the content they had under the initial employer. Therefore, the past service and the rights of the employee against the initial employer shall be retained and should be assumed to the same extent by the successor employer. By extension, the managerial prerogative of the successor is exercised subject to the same restrictions as they demarcated the managerial prerogative of the initial employer.

However, given the sentiment of insecurity experienced by employees due to the announcement and the planning of a merger or acquisition (especially those employed by the “old” undertaking) and the abusive exercise of managerial prerogative, a phenomenon is strongly noted before the transformation is completed: employees are asked to sign the termination of their previous labour relation and, at the same time, renew it through another agreement in which the terms and conditions of their work have been substantially changed (e.g. waiver from the right of past service, change in working hours, pay, etc).

According to P.D. 178/2002 (Article 3(2)), following the transfer (by extension, merger or acquisition), the successor should continue to abide by the terms and conditions of work stipulated in the collective labour agreement or arbitration award. This regulation was adopted in order to bind the successor employer in terms of the regulations of the collective labour law that had been established prior to the undertaking's transfer. The regulatory provisions of the collective labour agreement or the arbitration award are in force even after the undertaking is transferred in relation to the successor until they expire. However, after the expiry of the collective labour agreement or the arbitration award, these regulatory terms may be amended in any legal manner (collective or individual labour agreement). The new collective rules, if established within the merged undertaking after the expiry of the previous ones, are not prevented from being more adverse and from providing less protection to employees. Often, in the light of the new ownership regime, employees are compelled to consent to collective arrangements involving the containment of pay and deregulation of labour relations.

²⁰ Not only personal but also formative rights, advantages and expectations of employees are transferred (see Kamenopoulos, the legal effects of an undertaking's transfer on labour relations. Labour Law Journal 1996, 1045 et seq.)

The points cited about the convergence of working rights within the merged undertaking are at the discretion of the new employer rather than the latter's legal obligation. If the employer finds it functional, he may maintain two different legal regimes between the merged undertakings. In all events, despite the legal requirements of P.D. 178/2002, it is evident that the problems arising in practice from its application entail considerable risks about the employees of the undertakings involved since the protection concerns the crucial time period of the transfer itself and does not extend generally to structural changes of the undertaking.

P.D. 178/2002 includes provisions on the protection of employees' representatives and on their information and consultation in the case of transfers of undertakings, businesses or parts of businesses. More specifically, an obligation is established to inform in good time the representatives of the employees affected by such transfer about the reasons of the transfer and the financial and social effects on the employees and the measures anticipated for them. In addition, an obligation is established to hold consultations with the employees' representatives if steps that will change the employees' status are going to be taken, in order to reach an agreement.

According to the Presidential Decree, representatives of employees shall be those persons appointed by articles 1 and 2 of Law 1767/1988 as for works councils.²¹ Both the initial and the successor employers shall be obliged to provide information and hold consultations. Each one of them is obliged to inform and consult with the respective representatives of employees with specific content, as this is defined in the above PD.

The purpose of the right is to inform employees in good time about the effects of the undertaking's restructuring on their labour relations so that they exercise their legal rights and safeguard their interests.

The obligation for **consultation** should take place with the view of reaching an agreement and preparing the relevant minutes. Of course, the provision is properly implemented whenever it is established that an agreement is sought based on *bona fide* principles. Consultations and information of the employees' representatives are anticipated so as to contribute to the adoption of an agreement that will be "protective" for employees during merger (payment of high compensation to the workers dismissed, regulation of important terms and conditions of work,

²¹ As for the undertakings employing less than 50 persons, representation by a three-member committee is anticipated.

maintenance of employment by placing workers at different posts, etc). In order for the consultations to be effective, however, the employees' representatives should be timely informed in a substantive manner so as to present constructive proposals. In Greece, contrary to other EU Member States, as a rule no recourse to consultation procedures takes place and, as a result, the employees lose the opportunity to take part in critical decision-making that seeks to avoid or reduce dismissals or mitigate their adverse consequences. Of course, if a common agreement is adopted about the change of substantial terms of labour relations by the initial employer, this shall be binding on the successor as well.

The Greek Law, in harmony with the EU directives²², has established special provisions on the protection of employees in the case of collective dismissals. Law 1387/83 on collective dismissals, as amended by Laws 2736/1999 and 2874/2000, stipulates that collective dismissal shall mean those dismissals made by undertakings or businesses employing more than twenty persons, for reasons unrelated to the individual dismissed, and exceeding the limits set by Law every calendar month, namely 4 employees for undertakings or businesses employing 20-199 persons and 2-3% of the staff and up to 30 persons about undertakings employing more than 200 persons.

An employer intending to make collective dismissals of personnel should notify in writing the employees' representatives of the reasons leading him to such action, provide such persons with any relevant information that may facilitate the formulation of constructive proposals and submit copies of all these documents to the competent Prefect and Labour Inspector. Once the employer carries out the foregoing, he shall be entitled to proceed to collective personnel dismissal as follows:

a) Following consultation with the employees' representatives to the extent stipulated in the agreement reached between them; b) by way of decision of the competent Prefect or Minister of Labour to the extent it stipulates. If no such decision is issued within the stipulated deadlines, the employer may proceed to the collective dismissals to the extent accepted during consultations.

Collective dismissals are a phenomenon with significant social proportions. This is why it necessitates special treatment since it causes a rise in the unemployment of groups of employees with the resultant social problems and negative effect on the labour market. Therefore, it should be the ultimate means of reorganization and financial survival of undertakings. The financial and technical reasons put forward

²² Adaptation of Greek Law to Directive 75/129/75 on collective dismissals.

and leading to collective dismissals should be substantial and such means should not be used, as often noticed at national level, as a pretext so that undertakings dispose of the personnel they find “redundant” before or after acquisition or merger. Both information and consultations with employees together with the effectiveness of the controls conducted by the Management should play an important and substantive role therein so as to avoid any abusive use of procedures and protect the employees from losing their jobs.

P.D. 178/2002, in conjunction with Law 1387/1983, as amended by Law 2874/2000 and currently in force, is the institutional framework in Greece that attempts to secure the rights of employees in case of merger, acquisition and, generally, transfer of undertakings and also in the case of collective dismissals. However, the institutional framework does not suffice to protect the employees from the adverse effects of continuous transformation of businesses.

3.2. Actors involved in restructuring

The applicable Greek labour law contains many provisions²³, according to which employers are required to provide information and hold consultations when business restructuring issues arise. The enterprise’s trade union is, in order of priority, the representative of employees and, if there is no such union, the Works Council undertakes the said representation.

These provisions clearly demonstrate the employer’s obligation for information and consultation while it is obvious that this obligation is directly associated with restructuring operations, for instance in the case of personnel redundancy due to the introduction of new technologies.

²³ →Law 1387/1983 on the *Control of collective redundancies and other provisions*.

→Law 1767/1988 on *Works Councils and other provisions*, Ratification of International Labour Organization Convention No. 135, and

→Law 1876/1990 on *Free collective bargaining and other provisions*.

→P.D. 178/2002 on "Measures relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, in compliance with Directive 98/50/EC of the Council"

Presidential Decree No 178/2002 (by way of which Directive 98/50/EC was transposed into Greek Law), which refers to the preservation of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, in essence regulates overall the consequences arising from acquisitions and mergers with respect to employees.

Both the employer transferring his business activity and the successor employer shall be required to inform the representatives of their respective employees affected by the transfer of the following:

- a) the date or proposed date of the transfer,
- b) the reason for the transfer,
- c) the legal, economic and social implications of the transfer for the employees,
- d) any measures envisaged in relation to the employees.

The transferring employer (transferor) must give such information to the representatives of his employees in good time before the transfer is carried out. Likewise, the successor employer should disclose such information to the representatives of his undertaking's employees. In both events, information should be provided in good time, and in any event before his employees are directly affected by the transfer as regards their conditions of work and employment.

According to *Article 3 of Law 1387/1983*, before making any collective redundancies, the employer should consult the representatives of employees so as to explore the possibility of avoiding or reducing redundancies and their adverse implications. The employer should also inform in writing the representatives of employees about the reasons for which he plans to make collective redundancies and, thus, of any restructuring operations and also provide any information that may allow them to put forward constructive proposals.

The works council shall decide (pursuant to *Article 12 of Law 1767/1988*) jointly with the employer on certain issues if these are not regulated by law or a collective labour agreement (for instance, introduction of new technologies and impact on employment and industrial relations). In addition, they shall decide on the same issues when there is no trade union within the enterprise.

Finally, pursuant to *Article 2 of Law 1876/1990* which refers to the content of the collective labour agreement, the latter may regulate, among others, issues referring to the exercise of business policy to the extent this directly affects industrial relations.

The main innovation that enriched the legal regime of preserving and safeguarding employees' rights in the event of transfer and transformation of undertakings in

Greece under the effect of Community Law lies in the establishment of the so-called vested rights. Specifically, this refers to the recognition of the rights of information and participation in consultations with a view to concluding an agreement that will mitigate, minimize and/or prevent the adverse implications for the employees and the changes in their working conditions which the employer could unilaterally bring about in the context of restructuring of the employer's undertaking.

Finally, special reference should be made to:

- the cases in which restructuring entails collective redundancies; in this event, the employer, in addition to the employees, should inform in writing the Prefect (or even the Minister of Labour when the undertaking has branches in many prefectures). In case the parties do not reach any agreement, the Prefect or the Minister of Labour may either extend the time period of consultations or may not approve the implementation of the intended redundancies in whole or in part; and
- the cases of mergers and acquisitions where all the agreements among undertakings, all the decisions on the associations of undertakings and any form of harmonized practice which deals with or results in the restriction of competition should be disclosed by the undertakings acting in concert or associations of undertakings to the Hellenic Competition Commission (independent authority enjoying administrative and financial autonomy) within thirty (30) days from the time agreements are concluded or decisions are made.

4. Measures and instruments for Anticipating and Managing restructuring at national, regional and local level

4.1 . Extent and description of the framework on Anticipation in Greece

The characteristics of the labour market in Greece and the experience gained from the study of restructuring phenomenon demonstrate a particularity of Greece in terms of frequency rate compared to the other member states of the EU-27, as well as a lack of satisfactory means and tools used for anticipating, preparing and dealing with the consequences of restructuring.

In order that undertakings in Greece secure their sustainability and face the intense competitive environment, they undertake restructuring without, however, such decisions being accompanied by studies or surveys on the long-term effects of these actions. This fact doubled by the lack of any specific measures taken by the State (for instance, incentives for innovation development or technological restructuring) and of the corresponding infrastructures and networks often result in restructuring being focused on the reduction of labour cost through downsizing in the undertakings involved.

Moreover, in the small and medium-sized enterprises, no restructuring measures is noticed; interest is focused on subsidies or grants given by the State or the EU for which, however, there is seldom elaborated any specific long-term investment plan that would anticipate the development of new technologies, innovation or other factors that could help the undertaking operate more efficiently.

In addition, **information and consultation procedure** regarding the planning and imminent implementation of restructuring, although provided for by laws, in practice takes place at a subsequent stage when the decision has already been made. In Greece, the notion of social dialogue, negotiations between the main social partners and participation-oriented approach in undertakings have not developed to the same extent as in other democratic systems.

The institution of local employment pacts that could be described as an important tool for anticipating and preparing restructuring (as it occurs in many EU Member States) has not in essence roused interest and has not mobilized social bodies (the level of pay and the content of labour relations anticipated by the collective labour agreements are undermined), local communities and economic forces. (Even the bodies participating in Local Employment Pacts are characterized, as a rule, by low mobilization while there are no undertakings that could make a financial contribution

and commit themselves about employment issues). The Territorial Employment Pacts were launched in December 1996 with the objective of tackling unemployment and promoting job creation through multistakeholder partnerships at local level. They were a response by the European Commission to the demands of the heads of State and Government, who stressed the need for stronger Community action in favour of employment. On 6 March 1997 the tripartite National Institute of Labour (EIE), which is responsible for the technical support of such schemes, announced the framework for setting up and implementing TEPs to boost employment in particular geographical areas. The first phase - a pilot project - involved seven territories with high rates of unemployment. Both the Government and the two sides of industry have since adopted positions on this initiative. The Government has indicated that the social partners play a crucial role in the process of industrial relations readjustment required by the scheme. It also stressed that the legal framework for free collective bargaining gives the social partners the chance to come to agreements at different levels on matters of labour and production flexibility, particularly in relation to the balance to be struck between pay, productivity and working time arrangements. Furthermore, the Government stressed the need for dialogue and partnership relationships at local level since TEPs require direct and substantial participation from the private sector. The Government has also given employees and their representatives an important role in directing TEPs, insisting however that they will operate on a voluntary basis. In conclusion, it underlined the importance of labour flexibility and the introduction of special incentives to create new jobs in areas of high unemployment. To resolve these problems, the Government has invited employers and employees to engage in a free, open and honest dialogue. However, such a dialogue is expected to stumble on a number of difficulties since both sides have a number of issues which, for them, are not negotiable.

On the employers' side, the Federation of Greek Industries (SEV) has come out generally in favour of the TEPs, declaring its intention to support the new initiative. Nevertheless, it has set three preconditions:

1. the relevant labour legislation must be reformed, particularly to allow the introduction of more flexible forms of work in order to prevent local employers from abstaining from the TEPs, which would lead to their breakdown in practice;
2. the responsibility for planning and carrying out the scheme should not be exclusively in the hands of the state, which would merely lead to a rigid and bureaucratic operation; and

3. the EIE should make contact with all relevant social institutions.

The main reasons that have led to this fact may be summed up as follows:

- The actions anticipated in business plans are in principle an assortment of fragmentary proposals by separate bodies that do not fall under a plan that has been jointly prepared so as to create employment on a local scale.
- In most cases, the content of actions is limited to the creation of direct posts to meet certain social needs while their planning lacks any development approach, local development interventions, namely there is no objective of accentuating, strengthening or creating comparative advantages that could contribute to the creation of sustainable jobs. In addition, actions or activities aiming to support, guide and protect the unemployed are lacking.
- The jobs that are expected to be created, aside from being extremely limited in relation to the expectations and initial plans, are also of limited duration given that they are not related to any actions the sustainability of which has been studied and secured.
- The funds for the newly-created jobs do not originate from new resources earmarked for employment but from the well-known job subsidy programmes of the Manpower Employment Organization.

Business restructuring is also directly linked with the international financial crisis which now affects aspects of actual economy in Greece as well, thus resulting in evident negative effects on employment, labour relations, social protection and salaried employment.

According to data of INE/GSEE-ADEDY²⁴ in the period November 2008- June 2009, 22,106 jobs were lost due to the financial crisis²⁵. During the same period, voluntary exit plans were announced for 19,583 employees. It should be stressed that due to the particularity of Greek economy, where 98% of undertakings employ up to 10 persons, the undertakings of this category do not announce the number of

²⁴ Such data include undertakings, regardless of size, which cut the workforce or converted the terms and conditions of their employment.

²⁵ November 2008: 3,000 jobs - December 2008: 3,500 jobs, January 2009: 1,736 jobs, February 2009: 4,136, March 2009: 4,019, April 2009: 1,298, May 2009: 1571. At this point it should be stressed that there are specific sectors of economy that have been particularly affected by the financial crisis during the said period in which most enterprises are described as small and medium-sized. Thus, 800 jobs have been lost to date at the fur-manufacturing undertakings in the Prefecture of Kastoria during October 2008 (Data of Kastoria Labour Centre) while 470 permanent employees were dismissed in the professional yachting industry and it is estimated that 5,000 seasonal workers will not be employed in the summertime.

employees they dismiss owing to financial difficulties. It should be highlighted here that these figures increase considerably if we add the number of workers with fixed-term labour contracts which are not renewed upon expiry during the financial crisis. More specifically, the production sectors affected most by the financial crisis are industry, textile industry, construction, tourism and the financial sector while data demonstrate that most of the enterprises having decided on downsizing are located in Central Macedonia, Thrace²⁶, Western Greece and Attica.

It should be stressed that some enterprises, in an attempt to buy time so as to deal with the new financial circumstances, introduce to the enterprise and the personnel job rotation systems and compulsory leave; they abolish overtime; they make employees redundant or decide on the temporary suspension of their operations, all these having effects on the income and working regime of employees given that the inadequate social state in Greece is not in position to make up financially for the loss of income that is registered. More specifically, in the period November 2008 - June 2009, 2,708 employees were made redundant²⁷ and since December 2008 a job rotation system has been implemented in 23 enterprises.

4.2. Case Studies

In an attempt to further record the phenomenon in Greece, especially in relation to measures or policies which are extremely limited and are related to general regulations and unemployed individuals' protection policies, we could claim that the adoption of measures and good practices regarding the problems encountered by the persons losing their jobs owing to restructuring either by the State or by the enterprise is rather the exception than the rule.

Hellenic Railways Organization and Mytilineos Group are two worth mentioning **cases of anticipating restructuring**.

A. Hellenic Railways Organization

On 1 January 1970 (by virtue of Legislative Decree 674/1970), the "Hellenic Railways Organization" (OSE) (a private entity) was set up aiming at the single

²⁶ According to the data of the Labour Centre of Thessaloniki, of the 99 enterprises (plants) that used to operate in Komotini and employed some 17,000 persons, in 2009 there are only 3 plants left with 2,500 employees.

²⁷ . 840 employees were made redundant in November 2008, 890 in December 2008, 140 in January 2009, 398 in March, 169 in April and 91 in June.

organization, operation and development of railway transports in Greece. OSE operates and is supervised by the State.

In 2009, the competent Minister of Transport presented a reorganization plan of OSE according to which such reorganization is an imperative; otherwise its continuing operation will become problematic due to the increasing deficits and route safety issues that arose recently with constant derailment of trains. Reorganization measures include downsizing in order to contain expenditures. Such downsizing will mainly result from voluntary exit plans. OSE's trade unions strongly opposed this plan and announced a series of strikes.

According to the government, over the last few years the railways have been negatively criticized by the Greek public opinion given that mismanagement and wasting phenomena, safety issues and the issue of OSE's economic survival have arisen. A reorganization plan of OSE was elaborated in order to deal with the above issues, which undertakes actions in four axes. The latter consist in the attainment of safety, transparency, financial restructuring and development of OSE. The end of 2010 is set as time of full implementation of these measures and obtaining results. In summary, the principal measures in safety field concern the cooperation and transfer of know-how from the French Railways and the awareness-raising campaign targeting the personnel as for the issue of accident reduction and compliance with safety regulations. In terms of transparency, the primary measures concern the activation of an internal audit service to control the financial agreements that are signed, to hire executives from the private sector and to establish principles of modern management. In terms of financial restructuring, measures such as new rules in debt management, voluntary retirement so as to contain expenses and utilization of real estate property are included. Finally as regards the development of OSE, there are included measures such as the new investment plan which refers to the modernization of the existing lines so as to enable the function of high-speed trains; the creation of new lines so as to cover a higher portion of the mainland that enjoys railway services; and the rationalization of routes by reducing loss-making routes and increasing profitable ones and by enhancing the services provided.

Downsizing is a dimension of the financial restructuring of OSE and one of the two actions undertaken to reduce expenses. The other action in this direction lies in cutting down investments by squeezing project cost.

According to the measures to be implemented by the Ministry of Transport, the total payroll expenditure will decrease. This will arise, firstly, from the personnel's retirement and from not filling such vacancies with new hires; secondly, from

changes in the Staff General Regulations; and thirdly from applying the measure of outsourcing to meet temporary needs. It is estimated that the above actions will reduce the various pay categories such as benefits, which were estimated at EUR 108 million for 2007, by 15-20% until the end of 2008.

In addition, a voluntary exit plan is prepared which has been applied in the past to other state-controlled enterprises such as Hellenic Telecommunications Organization and Olympic Airways. It is estimated that out of the 7,400 employees of OSE, 2,000 to 3,000 persons will opt for voluntary exit within a period of 2-3 years. It is estimated that by applying these measures in 2010 the payroll cost will have reduced from EUR 400 million, as it stands today, to EUR 300 million.

These announcements were fiercely opposed by the trade unions and triggered a series of strikes.

The financial restructuring of OSE, through the announcement and implementation of various reorganization programmes, has been the goal of many Greek governments over the last few years. The main characteristic of these programmes was to contain OSE's investment plan and reduce the payroll cost. Nevertheless, the deficits soared since the railway operations were reduced due to lack of new infrastructure projects and investments for its expansion into new areas of mainland Greece in conjunction with the need to reduce the time of routes and improve services. Therefore, it is doubtful that the decrease in expenses by containing the payroll cost would lead per se to financial restructuring if not accompanied by increased railway operations through increased investments that will enhance productivity and the quality of OSE's work.

As for the outcomes of this particular restructuring process regarding the success or the unsuccessful factors, the lessons to be learned and what can be adapted or adopted by others:

the assessment of the restructuring is difficult since in essence it has not been completed yet so as to assess its results. At first glance, note is made, once more, of the lack of social dialogue, information and consultation with the competent bodies since no attempt at information preceded the restructuring with respect to the reasons having led thereto and the strategic planning that will be implemented.

Amid the positive points we could stress the decision on the network's modernization and expansion and the decision on transparent procedures and proper utilization of OSE's assets while the negative aspects include incomplete planning and lack of

integrated strategy for the company's restructuring plus the personnel's inadequate training.

B. Mytilineos Group

The merger through absorption concerns "Aluminium de Grece" (Alouminio tis Elladas) by "Mytilineos" Group of Companies, these being Greek companies operating in alumina and aluminium production and processing industries. The corporate name "Aluminium de Grece" was maintained even after the merger was completed. The said merger took place in 2005. The productive activity of the acquired company "Aluminium de Grece" is located in the prefecture of Viotia, which borders on Attica and hosts a large part of the productive activities of Greek metallurgy enterprises due to its geographic position.

Mytilineos Group is operating in a wide array of business activities mainly related to metallurgy where, aside from the production and trade of metals such as iron, it manages mines and participates via subsidiaries in the construction of defence equipment and vehicles while it intends to enter the energy market by constructing and managing electricity generation plants. It should be stressed that the Group is operating not only in Greece but also in the wider region of the Balkans and Cyprus. "Aluminium de Grece" was set up in 1960 in order to use the Greek bauxite deposits aiming to produce alumina and aluminium. Up to the time of acquisition, "Aluminium de Grece" was a member of the leading multinational industrial group of "Alcan", which is operating in aluminium and packaging market as well as in aluminium recycling. Alcan has undertaken extensive activities in the production and trade of aluminium products, packaging manufacture and services, aerospace applications and also in bauxite and aluminium processing.

At the time the merger was announced, Mytilineos Group and "Aluminium de Grece" employed some 3,000 and 1,300 employees respectively.

The transaction value for Mytilineos Group acquiring 53% of the share capital held by Alcan in "Aluminium de Grece" stood at around € 79.5 million. At a second stage, "Aluminium de Grece" would be fully consolidated with Mytilineos Group in the form of "merger through absorption" which in practice means that, through a specific share exchange ratio, the other shareholders of the absorbed "Aluminium de Grece" would become shareholders in the new scheme, namely Mytilineos Group, under which "Aluminium de Grece" would fall.

Note that in 2004, the year prior to the acquisition, the sales of “Aluminium de Grece” exceeded € 357 million.

The acquisition was explained by business reasons, Mytilineos Group sought to become stronger in another segment of the metallurgy sector, i.e. aluminium. The acquisition was met with consent, given that both companies exercised supplementary activities. The absorbed “Aluminium de Grece” did not face any financial problems; the acquisition was mainly related with the restructuring of Alcan activities on a global scale and the new inclusion of “Aluminium de Grece” in a strong Greek business group of the metallurgy sector. By making this move, Mytilineos Group acquired the leading Greek company in aluminium sector which had top know-how while it should be stressed that a shift to aluminium products is registered worldwide due to its properties, this entailing a rise in its price and higher profits for production and exploitation companies. In addition, Mytilineos Group brought its vertical integration to an end covering almost the entire metallurgy sector. Due to the financial size of “Aluminium de Grece”, only a few strong groups in Greece could objectively envisage its acquisition. Therefore, during that period there was only Mytilineos Group that put forward a proposal to acquire “Aluminium de Grece”.

The Management of both companies informed the employee representatives in both companies without the agreement of trade unions being required for the scheduled acquisition. It should be highlighted, however, that the unions did not oppose the acquisition because no substantial change took place in the regime of labour relations of both companies. The European Works Council did not take part in acquisition procedures in any form whatsoever.

As for the outcomes of this particular restructuring process regarding the success or the unsuccessful factors, the lessons to be learned and what can be adapted or adopted by others:

the acquisition was mainly the outcome of the business opportunities that would arise for both companies from their combination rather than the consequence of any financial difficulties of the absorbed “Aluminium de Grece”. Therefore, the productive activities of the company remained the same and there was no substantial change in the company’s business planning with respect to a decrease in activities. During the period the acquisition and absorption procedures were shaped, there was no downsizing in “Aluminium de Grece”.

The company’s business plan is implemented in compliance with the objectives announced at the time of acquisition. The turnover of “Aluminium de Grece”

increased although this is also due to the international increase of aluminium prices. On the contrary, the investments in the company soared, primarily in the field of new technology introduction. It is also characteristic that in the period immediately after the acquisition the company's share price more than doubled.

Following acquisition of "Aluminium de Grece", Mytilineos Group pursued its expansive policy in order to attain the vertical integration of its activities since the business segments in which it operates are largely complementary. All the more, the intention recently stated by the Group to operate in electricity sector, where we see the entry of individuals in the relevant market which had been controlled solely by the State until recently (such activity taking the form of electricity generation plant construction, management and operation), aims to cover the increased needs of industrial enterprises for electricity supply that fall under the so-called heavy industry and, thus, consume large quantities of electricity with the result of the profitability of such enterprises being largely dependent on the fluctuations of electricity prices. By undertaking activities in electricity market, Mytilineos Group attempts to control/reduce production cost. The Group has already taken part in tenders launched by the Greek State so as to acquire the relevant license to construct and operate electricity plants.

The acquisition did not have any substantive effect on the total number of employees or on the wider field of labour relations. Nevertheless, after the merger and without being related thereto, a slight downsizing was noted in the form of withdrawal given that some employees reached retirement age and were not replaced by other persons. This is the unique way to control labour cost, in other words to refrain from replacing employees who retire or resign. In general, the acquisition was not linked with any downsizing or increase of personnel.

In addition, no changes were brought to the working regime of the employees of "Aluminium de Grece", especially as regards the content of collective labour agreements, working regulations, pay system, working hours and the structure of employees' trade union.

Given that no downsizing was registered at the time "Aluminium de Grece" was acquired, there were no national or business plans to deal with the consequences for the dismissed employees. Moreover, after acquisition, the personnel of "Aluminium de Grece" maintained the social security schemes provided beforehand and stipulated under the previous regime, such as the retirement plan for both executives and the other personnel. The said plans consisted in additional benefits and were provided following agreement of the company with a private insurance company.

This acquisition did not entail any adverse changes in the personnel's labour relations or significant changes on a wider scale in the local or national economy since both companies were already in a dominant position in the sectors in which they were operating. Note that productive activities remained in the same geographical location. What principally happened was that Mytilineos Group strengthened further its position by being vertically integrated in metallurgy sector while "Aluminium de Grece" benefited from the opportunities for synergies that arose in all sectors of activity and cooperation with Mytilineos Group.

4.3 Measures and instruments for Managing restructuring at national, regional and local level

Studies made and the policies for managing restructuring are extremely limited. The most recent study of the phenomenon has been prepared by the Labour Institute of Greek General Confederation of Labour (INE/GSEE) ²⁸ and examines the restructuring phenomenon in Greece and its effects on labour relations.

Processing the concentrations recorded in the study reveals that the phenomenon of restructuring in Greece assumed significant proportions during the period 1995–2005, with a particular upsurge in 1998, 1999 and 2000. Activity in this regard remained equally intense between 2002 and 2005; however, due to insufficient data, further qualitative analysis is not possible.

A popular means of consolidation is a takeover through the acquisition of part or the entirety of the shares of a societe anonyme with the view of obtaining exclusive control. In terms of the corporate nationality, results indicate that most M&As took place between Greek companies. Cross-border concentrations in the Greek market, where they exist, refer mostly to enterprises that have entered this market through subsidiaries of multinational groups.

Regarding economic sectors, those with the most intense activity are the service sector –particularly banking and financial intermediation, retail and wholesale trade,

²⁸ G. Kouzis (responsible for scientific matters), A. Stamati, A. Matzouranis, K. Boukouvalas, Ch. Karakioulafi "Business acquisitions and mergers: Effects on employment and labour relations. Theoretical and empirical analysis", INE/GSEE-ADEDY, Athens 2008

and information technology– as well as the construction sector and the beverage industry, contrary to the respective international activity.

Finally, interesting conclusions are drawn from an analysis of the data on multi-sector groups. It appears that, in the Greek market, the practice of multi-sector mergers occurs to a very limited extent.

4.3.1. Measures related to the termination of labour agreement

In Greece there are no specific measures dealing with the negative consequences that may arise from restructuring. As a result of the limited experience and study, insofar as there are no cases of restructuring with new specialities and new professions, doubled by the lack of evaluation of the phenomenon and its consequences, we see applied to restructuring the general measures taken which are related to the termination of labour agreement (in case dismissals follow restructuring) and the general active and passive employment policies. The Manpower Employment Organization (OAED), which is supervised by the Ministry of Labour, is the main --but not exclusive- body that shapes and implements these policies.

If a labour agreement is terminated, OAED pays an **unemployment benefit** to the dismissed workers under certain conditions and for a specific period of time. For an unemployment benefit to be granted, the following conditions should be met:

- Valid termination of labour agreement
- Specific number of working days prior to the termination of labour agreement
- The duration of the benefit depends on the days worked by the insured person during the aforementioned crucial periods (14 months, 12 months or two years).

4.3.2 . Active and passive employment policies

As cited above, the employment policies (active and passive) characterizing the labour market in Greece are implemented in order to deal with the consequences of restructuring without having in Greece any specific measures or policies that are proper to this phenomenon.

At this point, the **active and passive employment policies** in Greece are succinctly presented:

the application of active employment policies in Greece refers to vocational training programmes for the unemployed and employees, employer subsidization programmes so as to employ unemployed individuals and to the subsidies granted to unemployed persons to set up their own business, all of which are mostly financed by the **European Social Fund**. The ultimate goal of these interventions is to limit the social protection policies involving the unemployed, that are now described as passive, and to replace them by the so-called active intervention measures.

The application of special integrated intervention programmes for the unemployed in selected areas where persistent and permanent failures of the labour market are registered within enterprises failing to maintain employment were a further development of Local Employment Pacts with their application attempting to approach the problem of unemployment at local level. These programmes are carried out through the implementation of integrated interventions, local actions and local initiatives for employment.

The background of intervention policies in the labour market in Greece shows the marginal role they play on the Greek political stage. The substantive institutional changes are the result of attempts at modernization that are usually left incomplete or of direct interventions of international organizations. More specifically, OAED develops a network of local services that are oriented to social security benefits to the unemployed and to the payment of welfare benefits while its interventionist nature through services matching labour supply and demand, occupational guidance and consulting to unemployed persons slackens or is not developed at all.

The support of employment policies includes **four core measures**: support of the search for employment, training, training subsidies and direct creation of jobs in the public sector or non-profitable sector of economy.

Concurrently, in order to deal with employment problems, social policy programmes were established such as **early retirement**, the **extension of unemployment benefits** and the employment of a large number of unemployed individuals in the **public sector** and the social segment of economy. The role of active employment policies in the context of restructuring policies also focuses on helping employees adapt themselves to the new circumstances of their production and working environment.

More specifically²⁹, employer subsidization programmes aiming to create new jobs date back to 1983 when 4,624 jobs were subsidized and, after 1987 to date, have gradually risen to some 20,000-22,000 subsidized jobs per year³⁰.

Accordingly, the subsidization programmes intended for young freelancers started being implemented in 1986 when 1,100 unemployed individuals received a subsidy to set up their own enterprise, this figure rising to 5,409 persons in 1987 whereas since that year subsidized persons range from 7,500 to 10,000 per annum. Moreover, training programmes for the unemployed and employees started being implemented on a systematic basis in 1987; since then, some 30,000 unemployed persons and 40,000 workers are trained every year.³¹

In addition, the comparison of the number of unemployed individuals participating in active employment policies with the number of unemployed persons benefiting from passive policies revealed that on an annual basis "*...active employment policies cover 26-28% of passively subsidized unemployed persons, 53-58% of whom attend training courses....*"³²

As a result of prolonged high unemployment rates and especially of long-term unemployment and youth unemployment in Greece, the percentages of those individuals not receiving any unemployment benefit increase considerably. This development coupled with the restrictive fiscal policies that have been implemented since 1985 lead to low financing levels of employment policies in comparison with the needs that should be met, despite the upward trend they register with the passage of time.

Thus, from the dawn of their application, active employment policies in Greece fell under a framework boosting the labour supply, acting as substitute of unemployed individuals' protection policies; as a result, their implementation was distorted, this being linked with the incomplete nature of social protection in Greece such as the replacement of unemployment benefits with benefits attached to active employment policies, the fragmentary application of interventions and their ineffective contribution to the reduction of unemployment. In the context of this method of active employment policy implementation, no rational management of the resources earmarked for boosting employment is pursued but, as a rule, the rationale of client service of

²⁹ It should be stressed that such data concern in general employment policies and employment subsidies and are not linked solely with restructuring cases.

³⁰ Annual report on economy and employment 2008, INE/GSEE

³¹ See footnote No 28

³² See footnote No 28

unemployed individuals and entrepreneurs on the edges of services to interest groups prevails.

Active employment policies in Greece mainly function as passive policies in the context of policies aiming to boost labour supply, thus meeting the needs of unemployed individuals' social protection on a client basis. Notwithstanding their expansion owing to the funds allocated by the European Social Fund, they do not fall under a wider development standard but mainly seek to manage unemployment by strengthening labour supply and selectively granting points to micro enterprises and those unemployed individuals who, at any rate, have increased access options to employment.

Despite the lack of systematic evaluation of the results of active employment policies in Greece, the results of such type of surveys conducted in different cases are not very encouraging. More specifically, the result evaluation survey involving the integrated intervention programmes which dealt with unemployment and were implemented in the prefectures of Arta, Fthiotida, Larisa, Thesprotia and Preveza, as conducted by a research team of INE/GSEE-ADEDY, revealed the following:

The results of the above survey stressed the failure of integrated interventions to serve as a "positive discrimination" policy for specific categories of unemployed individuals faced with particular difficulties in finding a job, such as women, long-term unemployed persons, unemployed over 45 years old and those unemployed persons falling under vulnerable groups of local communities. In particular, it seems that the integrated intervention programmes have not contributed to the reduction of unemployment rates in these specific areas while it was revealed that they served as actions boosting labour supply and as latent methods of financial aid being granted to enterprises and small-scale professionals.³³

Therefore, **active employment policies in Greece function as policies boosting labour supply** with the ultimate goal being to support the policies squeezing pay for work and making labour relations more flexible. At the same time, the method used in the management of their implementation programmes results in **active employment policies contributing to the management of the unemployment** mostly of young people and women without, however, leading to concrete results with respect to their inclusion in employment or even more the decrease of overall unemployment rates.

³³ See footnote No 29

In order to improve any **positive effect of active employment policies**, these should focus on special groups and employment-related objectives, they should not be applied in the aggregate but they should be restricted to small-scale intervention programmes at local level and finally considerable time should be dedicated to the preparation and search for employment. This framework presupposes another institutional framework for their implementation where they will fall under a development policy, functioning as policies selectively boosting the employment of special groups of workforce (e.g. long-term unemployed persons of low educational level, women over 45 years old, young people who have not finished upper secondary education school, etc). This in turn would require the restructuring of employment services and their staffing with adequately skilled personnel who should perform their duties with relative independence and beyond any bureaucratic restrictions which, all things considered, pave the way for making employment programmes serve various interests, whether these programmes are called active employment policies or, in general, support policies for the unemployed (e.g. extraordinary benefits and assistance).

4.4 Case Studies

In limited cases, at enterprise level we see that early retirement regulations, voluntary exit, training and lifelong learning for those employees continuing to work in the involved enterprises are registered as measures while no particular care is usually demonstrated, aside from paying the legal indemnity to those persons losing their jobs.

At this point, examples of major enterprises such as Olympic Airways, Hellenic Telecommunications Organization and COCA COLA – 3E **as managing restructuring cases** are set out in detail.

A. Olympic Airways

In 1957, following the merger of technical and air operations, the Greek entrepreneur Aristotelis Onasis set up Olympic Airways, which was also subsidized by the state budget and was the official national air carrier of Greece, enjoying significant benefits, tax-free purchase of spare parts, discount of customs duties amounting to 60% and a working system of individual labour agreements.

In 1975, following its successful performance, the company was transferred anew to the Greek State, giving up many of the privileges it enjoyed up to that time.

Since 1975, Olympic Airways operated as a public corporation and employed 12,000-15,000 persons while collective bargaining at enterprise level ended in the conclusion of collective labour agreements per speciality of employees in the company.

During the aforementioned period, the company did not have any specific business plan, did not pursue any strategic alliances in the European area and was thus isolated from current developments.

The above factors have generated serious financial problems in the company and the State, despite the numerous European subsidies and grants, decided that it could no longer keep the ownership of the company.

Thus, in 2009, the company (technical base, flight operations and sign) was sold to MIG Group in exchange for EUR 192 million and started operating on 1 October 2009.

The company's privatization plan, which was elaborated by the government and was approved by the European Commission, became law of the state and anticipated the transfer of assets of "Olympic Airways" and "Olympic Airways – Services" to three different companies that have either been set up or will be set up especially to this effect.

More specifically,

- "Pantheon" is a company that has already been established and is controlled by the State. This will be the successor of "Olympic Airways", will undertake flight operations and will acquire the assets of "Olympic Airways" including the right to use the name "Olympic", the sign with the six cycles and significant slots.
- A new company will be set up that will undertake ground handling services and will acquire the assets of the withdrawing "Olympic Airways-Services".
- A third company will be set up that will acquire the assets of aircraft maintenance and repair sector of "Olympic Airways-Services" and will operate in such sector.

Pursuant to the denationalization plan, a plan of voluntary termination of service will apply to the 4,593 permanent employees of "Olympic Airways" as it also occurred in the past to other entities controlled by the State. This plan includes favourable retirement regulations for all employees hired before 1993. In addition,

each permanent employee will be able to choose to work in another public service or State-controlled entity. In case there are pay differences in the new job position in comparison with the worker's pay when employed in "Olympic Airways", a monthly supplement of 500 Euros maximum will be provided.

Support will be provided to income for a transitional period of 1 year maximum until their working condition is restored. More specifically, during the first 4 months, the permanent employees who will be dismissed will receive monthly remuneration equal to their regular monthly pay. During the next 4 months, they will receive 70% of their regular monthly pay, over the next 2 months the dismissed personnel will receive 60% of regular monthly pay and finally over the last 2 months the dismissed employees will receive 50% of their regular monthly pay.

In addition, a lump sum of "Social Support" will be provided to the permanent employees who will be dismissed as follows:

For those persons working up to one year in the company, this amount will stand at their regular monthly pay plus 1/6 thereof. For those working from 1 to 4 years, this aid will be double the monthly regular pay plus 1/6 of such pay. For those having worked from 4 to 6 years, the aid will be triple the monthly pay plus 1/6 of regular monthly pay. For employment ranging from 6 to 8 years, the aid will be four times the regular monthly pay plus 1/6 of monthly pay. For those having worked from 8 to 10 years, the aid will be five times the monthly pay plus 1/6 of such pay. For those having worked 10 years, the aid will be six times the monthly pay plus 1/6 of such pay. For those having worked more than 10 years in the company, an amount equal to monthly pay shall be added for each extra year increased by 1/6 of monthly pay. Finally, they will be able to be employed in the new companies.

As regards seasonal workers of the company, these will receive extra points up to 50% for their past service in "Olympic Airways" and use them in public contests. In addition, a special programme will be established by the Manpower Employment Organization aiming to subsidize entities so that they hire the seasonal workers of Olympic. Subsidy will come to 25 Euros per working day and this programme will last 3 years whereas employers will be obliged to keep the worker concerned for 1 more year.

As for the outcomes of this particular restructuring process regarding the success or the unsuccessful factors, the lessons to be learned and what can be adapted or adopted by others:

the results are not visible yet since its evaluation period is limited. According to the first estimates, it results that the flight operations of the company have considerably shrunk since long-distance flights (to Canada, Australia, etc) have been cut down while the internal network of flights has been reinforced. Concurrently, alliances with foreign airlines are sought so as to undertake new routes and also improve services through better organization and the introduction of new technology.

As regards the employees, 1,200 of them were hired again by virtue of individual labour agreements by the new company, 600 have been transferred to the public sector and 1,100 have opted for early retirement schemes.

No social dialogue preceded such restructuring, there was no unity amid trade union bodies and it was combined with voluntary exit plans while the employees' rights were not preserved during the shift from the old to the new employer since those who were hired again entered into individual labour agreements under new adverse terms and conditions of work.

B. Hellenic Telecommunications Organization

Hellenic Telecommunications Organization (OTE) was set up in 1949 as societe anonyme with one and only non-transferrable share owned by the Greek State. OTE is operating in the field of telephony and telecommunications that it monopolized in Greece until '90s.

From 1994 to 2004, privatization of OTE was gradually attempted through the securitization of up to 66.6% of its shares with the State, however, maintaining the Management of the company. In 2007, the government assigned to Deutsche Telecom a new block of shares; thus, following the purchase of shares from other shareholders, Deutsche Telecom has 25% plus one share, namely the same stake with the Greek State. The government signed the transfer deed together with the commitment that it assigned indefinitely the management of OTE as long as Deutsche Telecom had 25% plus one share. Finally, in 2009, a new block of shares was transferred to Deutsche Telecom thus bringing ownership stakes at 30% and 20% for Deutsche Telecom and the Greek State respectively.

During restructuring, the Federation of OTE Employees (OME-OTE) expressed strong opposition to the possibility that the State might cease to be the largest single OTE shareholder and held a series of strikes, accusing OTE management and the government of planning the entry of Deutsche Telekom. This, in their opinion, entailed a risk, for the workers, that a company of strategic importance would be fully privatized, this giving rise to an upheaval in labour relations.

The main characteristics of the plan and the decision to restructure OTE focus on the following points:

- The services, through deregulation of telecommunications and improvement of competition;
- Change in the tariff policy through the increase in the prices of services, this leading to an increased value of OTE share;
- Change in labour relations and downsizing in OTE. More specifically, in 1986 OTE employed some 30,000 persons as permanent and full-time employees whereas currently, after the restructuring, it employs some 14,000 persons many of whom (the newly-hired) work pursuant to indefinite-term private law contracts and several others are employed by virtue of fixed-term contracts, works contracts, as a loan or on a part-time basis.

Restructuring procedure was not based on social dialogue whereas information and consultation with employee representatives was limited. In principle, restructuring was based on voluntary exit and early retirement plans of the “old employees” (some 5,000 employees) which took the concrete form of an enterprise-level collective labour agreement between the Management and the most representative trade union of the company, i.e. OME-OTE, which stipulated, *inter alia*, that the newly-hired personnel would longer benefit from a permanent employee status.

As for the outcomes of this particular restructuring process regarding the success or the unsuccessful factors, the lessons to be learned and what can be adapted or adopted by others:

the first results of OTE restructuring show that the company applied the European standards concerning the companies of this field and has introduced new technology and is generally oriented to modernization. On the other hand, it seems that after restructuring its social role and several quality characteristics were lost, the price of services rose considerably while labour relations and employee rights were significantly violated.

C. COCA COLA – 3E

In January 2006, COCA COLA – 3E announced a restructuring plan which included downsizing. More specifically, during a period of economic recovery and increase of its turnover, the company planned to interrupt the operation of its three warehouses in the wider region of Greece and to transfer Athens plant at an area outside Attica.

At that time, the multinational company employed 47,500 persons in the 97 countries where it operates whereas in Greece it employed 2,500 workers.

The company announced its decision without any prior information or consultation with the personnel and employee representatives. In the opinion of the company, this was a necessary decision for the company's sustainability and would be coupled with a reduction in labour cost through voluntary exit plans, the loss of 150 jobs and parallel transfer of employees to other posts.³⁴ The employee union of the company strongly opposed such decision of the Management and held a 62-day strike while GSEE took a strong part in those reactions.

As for the outcomes of this particular restructuring process regarding the success or the unsuccessful factors, the lessons to be learned and what can be adapted or adopted by others:

its results could be summed up as follows:

- The procedure was carried out in absolute secrecy without any prior social dialogue, this having triggered strong opposition by the employees.
- The State did not participate in the restructuring procedure so as to ensure compliance with the applicable institutional framework and to defend the employees' rights.
- The financial figures of the company do not justify this choice and the decision on restructuring whereas this action had a rather negative impact on the company's social profile.
- 20 employees lost their jobs.

³⁴ According to GSEE estimates, the restructuring plan will affect 250-300 persons.

5. Conclusions

In Greece, as it has already been mentioned, the restructuring phenomenon presents particularities in relation to most European countries, these being related with the structure of Greek economy that it is based on small and medium-sized enterprises, the lack of integrated planning before the implementation of restructuring and the lack of substantial social dialogue. Consequently, the measures and policies applying to the management of this phenomenon so as to contain the social cost are very limited.

In addition to the overall employment policies and measures dealing with unemployment which, as cited in the previous chapters, apply also to restructuring cases, specific interventions are rarely found and can be summed up as follows:

- Restructuring is getting easier wherever there is an effective institutional framework for income protection (unemployment benefit, vocational training, etc)
- In most cases, the early retirement of those persons working in the enterprises involved in restructuring is selected as measure instead of supporting intra-corporate training or the employment of workers in similar enterprises.
- Link of vocational training with the Greek labour market is not often met.
- The measure of financing young entrepreneurs is not viewed positively due to the business structure in Greece as well as due to the lack of information of self-employed persons doubled by the difficulties and obstacles of the banking system.
- On special occasions where unemployment at local level appears rather increased and is linked with the closure of many enterprises of the same sector (e.g. spinning mills at Naousa), the State has established specific measures such as the payment of more specific benefits, subsidized training programmes or transfer of the affected employees to other enterprises (these cases mainly concern public interest corporations such as the Shipyards at Elefsina).

At the same time, in the context of its action plans, having Employment Services as implementation agencies, OAED implements the special training programmes intended for the unemployed individuals of closed enterprises

such as specific programmes of integrated interventions for former workers (220 workers of Siemens, 49 unemployed persons originating from Elbisco and 97 unemployed individuals from VIAMYL and Athens Paper Mill SA).

Overall Greece has not advanced in the management of the effects of restructuring, as it occurred in other European countries, and the reform of the system is deemed necessary, with emphasis laid on the establishment of rules on how to alleviate social cost, elaborate a strategy and forecast restructuring, strengthen social dialogue and the transparency of the procedure as well as rules on the information of the parties involved.

It is evident that the effects of restructuring on labour relations and employment are significant. Maintaining a job even under more unfavourable terms is not always feasible. Often, the reorganization of an undertaking and its transformation in the form of acquisition or merger or other financial and technical reasons lead to the abolition of job positions and downsizing which, most of the times, is of collective nature.

Restructuring still jeopardizes seriously the rights of employees in Greece as well and is a cause of concern as regards the form and continuity of their employment in the merged undertaking. Experience shows that also in Greece mergers lead to decreased employment and deregulation of labour laws, which is usually manifested by practices such as replacement of salaried employment by independent work (outsourcing); flexibility in the terms and conditions of work; intensity of the work speed; problems in the way employees are represented and, generally, a sentiment of insecurity amid employees.

The main issues linked with employment and labour relations as a result of restructuring may be summed up as follows:

- Restructuring is usually accompanied by an increase in the share of exports (for those companies involved in exports) and an increase in sales and investments over the first three years from announcement of the acts.
- At least half the companies involved in the relevant restructuring are listed on the stock exchange and their share price usually registers a downward trend before the announcement of restructuring and is on the rise thereafter.
- Innovations in the policies and strategies of the companies, which are attached to restructuring, take mainly the form of organizational changes and

investments in new products rather than new partnerships, introduction of new technology and creation of new specialities.

- Downsizing usually takes place after restructuring while the 12-month period preceding or following it is the usual crucial period during which the number of employees is reduced.
- The main victims of restructuring concern a wide array of categories and specialities with emphasis laid on office employees whereas reducing unskilled workers is not a priority but such category is treated like skilled technicians and middle managers. The category of 'old' employees (over 45 years old) registers the highest indicator of job losses, followed by the productive age of 30-45 years.
- Voluntary exit is recorded as the most ordinary form of downsizing. This practice is followed by non-replacement of retirees whenever downsizing precedes restructuring and by dismissals whenever downsizing takes place after restructuring.
- In the restructuring presenting the lowest rates of dismissals, the presence of skilled workers is relatively strengthened although unskilled work records high rates in new hires and those working under flexible terms account for around half of the newly-hired persons. Concurrently, young people up to 30 years old account in this category for the highest rates in new agreements (3/4 of hires). The restructuring phenomenon is in principle linked with information and consultation procedures between employee and employer representatives, **after the decision on restructuring has been made** without, however, such procedures generally ending in agreements on the terms of shift to the new ownership regime.
- Changes in business policies are extensive with emphasis laid on the organization, operation and management methods, the content of labour relations and the strengthening of vocational education and training programmes.
- As for separate choices involving the personnel, there prevails the strengthening of the managerial prerogative and individual cooperation in the direction of specialized labour relations at the detriment of collective procedures.

- Changes in the labour status regarding 80% of restructuring are mainly identified in the way pay is fixed through the introduction of evaluation systems and link of pay with performance in parallel with changes in staff regulations.
- Reduction in “labour cost” is mainly attained by intensifying work and increasing flexible forms of employment with the use of temporary fixed-term contracts and outsourcing contracts being the principal forms thereof.

Worth mentioning here are the very interesting outcomes of the National Seminar organized in Athens (October 2009) by the International Training Centre of the International Labour Organization and the European Commission (Employment, Social Affairs and Equal Opportunities) under the title: *Anticipating and Managing Restructuring*.

Furthermore in Greece:

- there are significant differences between restructuring in public and private corporations;
- there are no mechanisms used to anticipate and manage restructuring (either in the public or the private sector). The way they intervene depends on the reaction of employees and their unions.
- Restructuring results are linked with the power of the unions and, by extension, with consultation terms.
- Protection and consultation measures are rudimentary and almost inexistent in the private sector with social partners expressing mutual distrust.

According to the case studies presented to the Seminar and the views subsequently exchanged, it was deduced that the anticipation of restructuring in Greece, for instance in terms of preparation through best practices, and the management of such restructuring under terms aiming to minimize social cost and avoid dismissals are not applied, thus leading to conflicts and a loss of jobs.

On the other hand, it seems that Greece did not take advantage, to the extent it should, of the action plans of the European Commission to support the anticipation and management of restructuring and also did not evaluate to date the results and weak points of various restructuring cases.

In order to reduce cost and deal with international competition, the undertakings in Greece seek more synergies, are under constant competition and restructuring ignoring, most of the times, the living standards, protection and the terms and conditions of employees' work.

Nevertheless, the social effects on employees involved in such processes should not be overlooked. On the contrary, it should be understood that recourse to "restructuring" is not the easy solution that will strengthen competitiveness or financial recovery but undertakings should include the issue of preserving jobs and improving labour relations in any restructuring plan.

6. List of abbreviations used in the report

ADEDY	-Supreme Administrative Council of Greek Civil Servants
C.L	-Community Law
EGSEE	-National Framework Agreement on Employment Conditions
ESEE	-Hellenic Confederation of Greek Trade
ESYE	-National Statistical Service of Greece
ETE	-Hellenic Bank Association
GSEE	-Greek General Confederation of Labour
GSEVEE	-Hellenic Confederation of Professionals, Craftsmen and Merchants
INE/GSEE	-Labour Institute of GSEE
IOBE	-Foundation for Economic and Industrial Research
M&As	-Mergers and Acquisitions
MIG	-Marfin Investment Group
OAED	-Manpower Employment Organization
OKE	-Economic and Social Council of Greece
OME-OTE	-Federation of OTE Employees
OSE	-Hellenic Railways Organization
OTE	-Hellenic Telecommunications Organization
P.D.	-Presidential Decree
SEV	-Hellenic Federation of Enterprises
SME	-Small and medium size enterprises

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ANNEX I
Tables

Table 1: Employed persons per size of enterprise

Year	Up to 10 persons	11-19	20-49	OVER 50	Unknown No but up to 10	Unknown No over 10	TOTAL
1993	2.631.426	391.960	239.788	214.394	95.227	147.385	3.720.180
1994	2.625.881	418.563	248.946	253.880	87.068	155.268	3.789.606
1995	2.613.440	443.347	272.358	271.272	90.604	132.788	3.823.809
1996	2.599.326	426.146	287.448	317.577	86.445	154.981	3.871.923
1997	2.581.397	403.256	278.248	338.997	95.811	156.347	3.854.056
1998	2.614.607	413.352	294.060	399.271	107.001	197.820	4.026.111
1999	2.547.404	413.103	293.839	405.779	155.311	227.847	4.043.283
2000	2.558.331	440.143	311.937	406.321	170.541	212.746	4.100.019
2001	2.425.740	468.267	317.093	420.275	185.022	287.606	4.104.003
2002	2.418.614	437.373	315.788	453.556	225.133	341.054	4.191.518
2003	2.536.983	449.695	296.431	458.393	234.900	310.159	4.286.561
2004	2.461.502	470.764	336.191	488.619	238.371	335.052	4.330.497
2005	2.506.162	473.024	320.228	471.028	256.832	354.661	4.381.936
2006	2.527.039	469.966	314.045	461.590	251.727	428.449	4.452.817
2007	2.569.184	464.059	325.913	468.871	254.594	437.233	4.519.854
2008	2.602.015	491.173	346.368	481.084	254.147	407.340	4.582.127
2009	2.621.448	470.777	340.461	470.411	245.308	383.508	4.531.913

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 2: Working population by years and gender

Working Population	Both genders	Men	Women	Economically Inactive	Both genders	Men	Women
1988	6.411.135	3.079.831	3.331.307	1988	2.577.015	664.957	1.912.061
1989	6.446.681	3.114.170	3.332.510	1989	2.592.568	692.908	1.899.661
1990	6.570.697	3.173.154	3.397.545	1990	2.689.088	737.473	1.951.617
1991	6.637.898	3.220.892	3.417.005	1991	2.816.674	772.387	2.044.287
1992	6.640.161	3.202.291	3.437.873	1992	2.731.266	749.319	1.981.950
1993	6.732.563	3.258.311	3.474.252	1993	2.733.508	758.285	1.975.223
1994	6.769.302	3.267.989	3.501.310	1994	2.707.547	739.866	1.967.681
1995	6.774.634	3.262.747	3.511.889	1995	2.659.071	730.543	1.928.528
1996	6.796.079	3.269.938	3.526.143	1996	2.619.278	730.500	1.888.778
1997	6.791.517	3.260.953	3.530.561	1997	2.628.425	743.992	1.884.431
1998	6.994.057	3.462.651	3.531.404	1998	2.584.933	778.303	1.806.629
1999	7.038.581	3.486.025	3.552.555	1999	2.552.010	788.461	1.763.547
2000	7.074.249	3.504.379	3.569.869	2000	2.551.921	786.731	1.765.190
2001	7.097.847	3.518.160	3.579.683	2001	2.608.719	808.642	1.800.078
2002	7.109.456	3.527.953	3.581.502	2002	2.546.139	790.347	1.755.793
2003	7.118.022	3.535.385	3.582.634	2003	2.483.305	767.195	1.716.111
2004	7.126.879	3.543.579	3.583.299	2004	2.384.344	740.836	1.643.508
2005	7.132.834	3.550.396	3.582.437	2005	2.366.082	738.650	1.627.432
2006	7.152.063	3.566.503	3.585.555	2006	2.359.877	745.185	1.614.689
2007	7.207.589	3.602.409	3.605.180	2007	2.380.123	761.229	1.618.894
2008	7.228.177	3.615.151	3.613.024	2008	2.374.427	752.679	1.621.748
2009	7.220.374	3.613.437	3.606.940	2009	2.332.957	759.178	1.573.781

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter.. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)- Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 3
Workforce by gender and group of ages

Labour force all	Both genders	Men	Women	Employed all	Both genders	Men	Women
1988	3.953.329	2.496.184	1.457.145	1988	3.651.163	2.375.277	1.275.886
1989	3.957.534	2.493.443	1.464.090	1989	3.663.067	2.379.702	1.283.365
1990	3.993.382	2.511.816	1.481.566	1990	3.713.211	2.405.185	1.308.026
1991	3.927.576	2.522.973	1.404.604	1991	3.628.272	2.403.553	1.224.720
1992	4.028.917	2.537.519	1.491.397	1992	3.680.039	2.399.943	1.280.096
1993	4.112.443	2.580.545	1.531.898	1993	3.715.363	2.416.545	1.298.818
1994	4.188.892	2.618.980	1.569.912	1994	3.786.157	2.449.439	1.336.718
1995	4.244.493	2.624.805	1.619.688	1995	3.820.510	2.449.168	1.371.342
1996	4.313.986	2.634.001	1.679.984	1996	3.868.283	2.467.371	1.400.912
1997	4.292.739	2.610.769	1.681.970	1997	3.853.335	2.438.556	1.414.779
1998	4.513.093	2.755.639	1.757.453	1998	4.023.676	2.559.408	1.464.267
1999	4.583.663	2.766.980	1.816.684	1999	4.040.372	2.554.139	1.486.233
2000	4.617.209	2.784.859	1.832.351	2000	4.097.875	2.577.662	1.520.214
2001	4.581.610	2.773.648	1.807.962	2001	4.103.211	2.582.219	1.520.992
2002	4.652.227	2.802.954	1.849.272	2002	4.190.175	2.622.454	1.567.720
2003	4.728.396	2.836.889	1.891.506	2003	4.286.562	2.666.061	1.620.500
2004	4.823.174	2.861.894	1.961.280	2004	4.330.497	2.680.219	1.650.279
2005	4.848.793	2.872.665	1.976.128	2005	4.381.936	2.705.841	1.676.095
2006	4.880.228	2.886.565	1.993.661	2006	4.452.821	2.725.703	1.727.114
2007	4.917.425	2.905.618	2.011.807	2007	4.519.855	2.761.648	1.758.207
2008	4.939.270	2.925.247	2.014.026	2008	4.582.127	2.788.606	1.793.524
2009	4.974.473	2.915.108	2.059.364	2009	4.531.912	2.730.354	1.801.557

Table 3 (cont.)

Unemployed all	Both genders	Men	Women
1988	302.166	120.907	181.259
1989	294.467	113.741	180.725
1990	280.171	106.631	173.540
1991	299.304	119.420	179.884
1992	348.878	137.576	211.301
1993	397.080	164.000	233.080
1994	402.735	169.541	233.194
1995	423.983	175.637	248.346
1996	445.703	166.630	279.072
1997	439.404	172.213	267.191
1998	489.417	196.231	293.186
1999	543.291	212.841	330.451
2000	519.334	207.197	312.137
2001	478.399	191.429	286.970
2002	462.052	180.500	281.552
2003	441.834	170.828	271.006
2004	492.677	181.676	311.002
2005	466.857	166.825	300.032
2006	427.407	160.862	266.547
2007	397.570	143.970	253.600
2008	357.143	136.641	220.502
2009	442.561	184.754	257.807

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter.. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)- Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 3 (cont.)

15-29 Labour force	Both genders	Men	Women	15-29 Employed	Both genders	Men	Women
1988	989.097	553.847	435.252	1988	800.763	484.786	315.978
1989	1.000.120	560.878	439.241	1989	812.745	491.193	321.551
1990	1.011.445	563.439	448.005	1990	833.046	499.841	333.204
1991	1.009.934	574.982	434.953	1991	823.732	502.454	321.278
1992	1.014.161	568.444	445.715	1992	807.174	488.502	318.671
1993	1.085.952	600.917	485.035	1993	850.569	510.015	340.554
1994	1.079.127	598.330	480.796	1994	841.768	504.595	337.173
1995	1.078.516	587.621	490.897	1995	831.046	494.985	336.062
1996	1.079.728	582.014	497.714	1996	817.673	489.156	328.517
1997	1.068.317	572.922	495.397	1997	817.185	479.226	337.960
1998	1.222.582	692.581	530.000	1998	945.798	583.196	362.601
1999	1.225.399	677.079	548.319	1999	927.464	559.278	368.185
2000	1.215.718	682.743	532.973	2000	936.497	570.128	366.368
2001	1.170.776	654.178	516.596	2001	919.582	551.082	368.499
2002	1.164.313	657.422	506.889	2002	926.589	562.789	363.799
2003	1.143.576	644.344	499.230	2003	920.351	553.450	366.899
2004	1.149.253	636.422	512.830	2004	917.925	545.738	372.187
2005	1.086.621	600.320	486.301	2005	882.250	525.042	357.207
2006	1.074.146	602.572	471.571	2006	883.321	527.043	356.278
2007	1.035.113	582.253	452.860	2007	859.658	513.551	346.107
2008	1.008.476	570.406	438.070	2008	852.380	504.926	347.454
2009	993.067	562.705	430.362	2009	817.740	484.734	333.006

Table 3 (cont.)

15-29 Unemployed	Both genders	Men	Women
1988	188.334	69.061	119.274
1989	187.375	69.685	117.690
1990	178.399	63.598	114.801
1991	186.202	72.528	113.675
1992	206.987	79.942	127.044
1993	235.383	90.902	144.481
1994	237.359	93.735	143.623
1995	247.470	92.636	154.835
1996	262.055	92.858	169.197
1997	251.132	93.696	157.437
1998	276.784	109.385	167.399
1999	297.935	117.801	180.134
2000	279.221	112.615	166.605
2001	251.194	103.096	148.097
2002	237.724	94.633	143.090
2003	223.225	90.894	132.331
2004	231.327	90.684	140.643
2005	204.371	75.277	129.094
2006	190.825	75.529	115.293
2007	175.455	68.702	106.753
2008	156.097	65.480	90.617
2009	175.327	77.971	97.356

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter.. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 3 (cont.)

30+ Labour force	Both genders	Men	Women	30+ Employed	Both genders	Men	Women
1988	2.964.232	1.942.337	1.021.893	1988	2.850.400	1.890.491	959.908
1989	2.957.414	1.932.565	1.024.849	1989	2.850.322	1.888.509	961.814
1990	2.981.937	1.948.377	1.033.561	1990	2.880.165	1.905.344	974.822
1991	2.917.642	1.947.991	969.651	1991	2.804.540	1.901.099	903.442
1992	3.014.756	1.969.075	1.045.682	1992	2.872.865	1.911.441	961.425
1993	3.026.491	1.979.628	1.046.863	1993	2.864.794	1.906.530	958.264
1994	3.109.765	2.020.650	1.089.116	1994	2.944.389	1.944.844	999.545
1995	3.165.977	2.037.184	1.128.791	1995	2.989.464	1.954.183	1.035.280
1996	3.234.258	2.051.987	1.182.270	1996	3.050.610	1.978.215	1.072.395
1997	3.224.422	2.037.847	1.186.573	1997	3.036.150	1.959.330	1.076.819
1998	3.290.511	2.063.058	1.227.453	1998	3.077.878	1.976.212	1.101.666
1999	3.358.264	2.089.901	1.268.365	1999	3.112.908	1.994.861	1.118.048
2000	3.401.491	2.102.116	1.299.378	2000	3.161.378	2.007.534	1.153.846
2001	3.410.834	2.119.470	1.291.366	2001	3.183.629	2.031.137	1.152.493
2002	3.487.914	2.145.532	1.342.383	2002	3.263.586	2.059.665	1.203.921
2003	3.584.820	2.192.545	1.392.276	2003	3.366.211	2.112.611	1.253.601
2004	3.673.922	2.225.472	1.448.450	2004	3.412.572	2.134.480	1.278.092
2005	3.762.172	2.272.346	1.489.826	2005	3.499.686	2.180.798	1.318.888
2006	3.806.082	2.283.993	1.522.090	2006	3.569.500	2.198.660	1.370.836
2007	3.882.309	2.323.361	1.558.948	2007	3.660.195	2.248.095	1.412.100
2008	3.930.792	2.354.838	1.575.954	2008	3.729.748	2.283.678	1.446.070
2009	3.981.410	2.352.401	1.629.009	2009	3.714.175	2.245.618	1.468.557

Table 3 (cont.)

30+ Unemployed	Both genders	Men	Women
1988	113.832	51.846	61.985
1989	107.092	44.056	63.035
1990	101.772	43.033	58.739
1991	113.102	46.892	66.209
1992	141.891	57.634	84.257
1993	161.697	73.098	88.599
1994	165.376	75.806	89.571
1995	176.513	83.001	93.511
1996	183.648	73.772	109.875
1997	188.272	78.517	109.754
1998	212.633	86.846	125.787
1999	245.356	95.040	150.317
2000	240.113	94.582	145.532
2001	227.205	88.333	138.873
2002	224.328	85.867	138.462
2003	218.609	79.934	138.675
2004	261.350	90.992	170.358
2005	262.486	91.547	170.939
2006	236.582	85.333	151.254
2007	222.114	75.266	146.848
2008	201.044	71.160	129.884
2009	267.235	106.783	160.452

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2008 second quarter. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 4
Full- time and part-time employment

YEARS	TOTAL	FULL-TIME EMPLOYMENT	PART-TIME EMPLOYMENT	% OF PART-TIME EMPLOYMENT
1988	3.651.163	3.451.057	200.106	5,5
1989	3.663.067	3.503.399	159.667	4,4
1990	3.713.211	3.559.321	153.890	4,1
1991	3.628.272	3.489.104	139.168	3,8
1992	3.680.039	3.504.649	175.390	4,8
1993	3.715.363	3.554.049	161.314	4,3
1994	3.786.157	3.604.423	181.735	4,8
1995	3.820.510	3.636.487	184.024	4,8
1996	3.868.283	3.684.345	183.938	4,8
1997	3.853.335	3.674.941	178.394	4,6
1998	4.023.676	3.783.612	240.064	6,0
1999	4.040.372	3.794.595	245.776	6,1
2000	4.097.875	3.907.454	190.422	4,6
2001	4.103.211	3.935.732	167.480	4,1
2002	4.190.175	4.004.358	185.817	4,4
2003	4.286.562	4.109.808	176.753	4,1
2004	4.330.497	4.129.937	200.560	4,6
2005	4.381.936	4.170.952	210.984	4,8
2006	4.452.816	4.191.645	261.171	5,9
2007	4.519.851	4.257.780	262.071	5,8
2008	4.582.127	4.332.065	250.062	5,5
2009	4.531.915	4.259.475	272.440	6,0

Table 4 (cont.)

YEARS	15-29 years	FULL-TIME EMPLOYMENT	PART-TIME EMPLOYMENT	% OF PART-TIME EMPLOYMENT
1988	800.763	750.209	50.554	6,3
1989	812.745	767.997	44.748	5,5
1990	833.046	791.351	41.694	5,0
1991	823.732	784.094	39.639	4,8
1992	807.174	755.682	51.491	6,4
1993	850.569	799.711	50.858	6,0
1994	841.768	788.677	53.091	6,3
1995	831.046	776.587	54.459	6,6
1996	817.673	767.195	50.478	6,2
1997	789.309	739.448	49.861	6,3
1998	945.798	867.752	78.046	8,3
1999	927.464	848.064	79.400	8,6
2000	936.497	876.293	60.204	6,4
2001	919.582	868.642	50.940	5,5
2002	926.589	872.806	53.783	5,8
2003	920.351	866.626	53.725	5,8
2004	917.925	858.296	59.629	6,5
2005	882.250	818.695	63.555	7,2
2006	883.325	806.124	77.201	8,7
2007	859.657	788.344	71.313	8,3
2008	852.378	784.880	67.498	7,9
2009	817.740	736.918	80.822	9,9

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter.. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)- Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 5
Unemployed persons who have worked in the past
in the main branches of economic activity

Industry major groups/ Years	1988	1989	1990	1991	1992
Total	154.791	140.480	131.000	143.476	171.952
Agriculture, hunting, forestry and Fishing	4.082	2.979	3.522	2.513	5.778
Mining and quarrying	885	69	282	1.939	1.243
Manufacturing	36.129	30.063	27.256	33.104	59.170
Electricity, gas and water supply	1.293	2.009	1.690	1.939	1.463
Construction	14.424	8.382	7.325	8.761	14.921
Wholesale and retail trade, Hotels and restaurants	16.125	19.119	18.171	20.466	34.815
Transport, storage and communication	11.363	12.399	9.297	8.976	11.776
Banks etc.	2.790	2.979	3.028	4.237	4.242
Other services	12.519	12.261	11.128	13.644	22.308
	55.180	50.221	49.301	47.897	16.237

Industry (NACE major groups)/ Years	1993	1994	1995	1996	1997
Total	201.194	212.309	230.390	217.469	222.008
Agriculture, hunting and forestry (NACE 01-02)	6.169	5.282	6.132	5.275	7.882
Fishing (NACE 05)	492	350	200	270	446
Mining and quarrying (NACE 10-14)	2.264	2.027	1.345	707	441
Manufacturing (NACE 15-37)	57.181	58.278	65.610	58.100	61.843
Electricity, gas and water supply (NACE 40-41)	1.371	3.420	865	840	1.378
Construction (NACE 45)	17.922	18.272	20.649	14.957	13.393
Wholesale and retail trade; repair of...vehicles...goods (NACE 50-52)	29.611	34.650	36.866	40.456	37.653
Hotels and restaurants (NACE 55)	12.772	15.764	20.737	22.049	23.342
Transport, storage and communication (NACE 60-64)	17.977	15.888	18.232	14.270	17.305
Financial intermediation (NACE 65-67)	2.486	2.034	1.670	2.133	2.365
Real estate, renting and business activities (NACE 70-74)	7.236	8.018	7.837	9.291	8.884
Public administration and defence (NACE 75)	4.531	9.226	6.780	6.511	5.795
Education (NACE 80)	8.378	5.894	7.522	6.985	6.729
Health and social work (NACE 85)	4.720	4.992	6.142	4.767	5.026
Other community, social and personal service activities (NACE 90-93)	9.168	8.948	11.357	9.057	9.406
Private households with employed persons (NACE 95)	1.788	1.638	2.954	2.754	3.469
Extra-territorial organizations and bodies (NACE 99)	202	326	150	75	0
Persons can not be classified	16.927	17.304	15.343	18.972	16.651

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 5 (cont.)

Industry (NACE major groups)/ Years	1998	1999	2000	2001	2002
Total	248.387	285.693	278.909	248.655	271.310
Agriculture, hunting and forestry (NACE 01-02)	6.610	11.480	8.265	7.177	3.907
Fishing (NACE 05)	1.047	123	366	252	1.192
Mining and quarrying (NACE 10-14)	1.649	1.375	1.952	1.299	1.416
Manufacturing (NACE 15-37)	64.060	70.241	63.826	52.969	53.933
Electricity, gas and water supply (NACE 40-41)	444	1.062	1.305	703	1.333
Construction (NACE 45)	19.154	15.411	15.449	14.185	13.527
Wholesale and retail trade; repair of...vehicles...goods (NACE 50-52)	43.607	50.315	48.306	46.455	46.879
Hotels and restaurants (NACE 55)	27.163	30.986	37.207	32.800	40.658
Transport, storage and communication (NACE 60-64)	16.029	13.768	15.542	12.689	17.954
Financial intermediation (NACE 65-67)	1.852	3.218	2.957	3.825	3.641
Real estate, renting and business activities (NACE 70-74)	9.191	12.529	10.316	11.966	14.376
Public administration and defence (NACE 75)	6.410	9.235	10.513	10.567	9.579
Education (NACE 80)	7.314	10.967	8.305	8.374	7.623
Health and social work (NACE 85)	7.223	8.111	7.054	5.860	9.520
Other community, social and personal service activities (NACE 90-93)	9.960	11.455	10.601	9.384	12.107
Private households with employed persons (NACE 95)	4.229	4.249	3.400	4.019	4.923
Extra-territorial organizations and bodies (NACE 99)	0	270	291	277	0
Persons can not be classified	22.446	30.897	33.255	25.855	28.744

Table 5 (cont.)

Industry (NACE major groups)/ Years	2003	2004	2005	2006	2007
Total	257.814	280.096	288.284	270.599	257.802
Agriculture, hunting and forestry (NACE 01-02)	5.853	7.570	4.630	3.398	5.725
Fishing (NACE 05)	165	897	1.333	590	370
Mining and quarrying (NACE 10-14)	585	835	1.580	716	1.322
Manufacturing (NACE 15-37)	51.816	49.693	52.411	48.324	40.413
Electricity, gas and water supply (NACE 40-41)	1.452	1.119	1.609	1.714	1.924
Construction (NACE 45)	13.994	15.202	14.976	13.024	14.853
Wholesale and retail trade; repair of...vehicles...goods (NACE 50-52)	41.435	51.779	53.921	52.044	44.124
Hotels and restaurants (NACE 55)	36.659	32.987	37.228	37.864	37.094
Transport, storage and communication (NACE 60-64)	15.804	15.567	14.601	15.195	13.987
Financial intermediation (NACE 65-67)	4.604	5.049	7.401	5.965	3.628
Real estate, renting and business activities (NACE 70-74)	13.532	16.908	16.865	18.101	20.199
Public administration and defence (NACE 75)	13.446	12.117	17.287	15.400	13.121
Education (NACE 80)	7.227	10.662	11.424	8.877	9.698
Health and social work (NACE 85)	9.304	7.763	8.579	9.146	9.265
Other community, social and personal service activities (NACE 90-93)	11.632	14.421	15.475	15.854	14.035
Private households with employed persons (NACE 95)	4.116	5.204	3.901	2.938	4.718
Extra-territorial organizations and bodies (NACE 99)	0	0	0	112	0
Persons can not be classified	26.190	32.323	25.063	21.337	23.326

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 5 (cont.)

Industry (NACE major groups)/ Years	2008	2009
Total	226.827	312.815
Agriculture, forestry and fishing	5.689	8.146
Mining and quarrying	1.041	1.317
Manufacturing	34.164	47.239
Electricity, gas, steam and air conditioning	1.231	2.659
Water supply; sewerage, waste management	2.950	4.952
Construction	14.204	35.172
Wholesale and retail trade; repair of motor	36.462	45.482
Transportation and storage	6.740	9.467
Accommodation and food service activities	37.290	48.210
Information and communication	4.599	4.411
Financial and insurance activities	3.820	2.514
Real estate activities	173	1.127
Professional, scientific and technical activities	8.615	9.873
Administrative and support service activities	5.192	9.348
Public administration and defence; Compulsory	11.931	17.540
Education	6.415	9.326
Human health and social work activities	9820	8668
Arts, entertainment and recreation	5.177	8.948
Other service activities	3.694	6.701
Activities of households as employers	4.325	5.176
Activities of extraterritorial organisations	0	330
Persons can not be classified	23.295	26.209

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)

Table 6
Flows into and out of employment, position-filling percentage

FLOWS OUT OF EMPLOYMENT <i>(Outflows)</i>				FLOWS INTO EMPLOYMENT <i>(Inflows)</i>			
YEAR	into the UNEMPLOYED group	into the ECONOMICALLY INACTIVE POPULATION group	TOTAL OUTGOING WORKERS	YEAR	from the UNEMPLOYED group	from the ECONOMICALLY INACTIVE POPULATION	TOTAL INCOMING WORKERS
1988	62.801	82.260	145.061	1988	63.958	113.627	177.585
1989	55.208	82.154	137.362	1989	64.421	119.144	183.565
1990	57.330	85.572	142.902	1990	49.583	112.336	161.919
1991	72.600	76.980	149.580	1991	39.711	106.710	146.421
1992	76.724	91.498	168.222	1992	67.801	114.976	182.777
1993	93.916	78.519	172.435	1993	67.772	96.870	164.642
1994	90.739	83.386	174.125	1994	85.064	89.045	174.109
1995	104.694	84.028	188.722	1995	94.718	93.701	188.419
1996	79.449	81.997	161.446	1996	87.297	75.573	162.870
1997	84.096	86.269	170.365	1997	92.776	80.456	173.232
1998	92.169	103.372	195.541	1998	115.213	104.916	220.129
1999	94.762	103.552	198.314	1999	124.159	106.596	230.755
2000	84.723	100.590	185.313	2000	148.509	107.081	255.590
2001	89.330	110.616	199.946	2001	126.379	111.326	237.705
2002	97.783	93.504	191.287	2002	127.292	91.291	218.583
2003	78.121	85.168	163.289	2003	107.020	88.469	195.489
2004	98.324	105.109	203.433	2004	127.404	84.593	211.997
2005	114.500	116.500	231.000	2005	123.900	93.100	217.000
2006	77.000	86.800	163.800	2006	115.100	79.300	194.400
2007	70.200	81.900	152.100	2007	95.600	77.100	172.700
2008	61.360	80.950	142.310	2008	102.850	75.145	177.995
2009	112.122	73.146	185.268	2009	90.230	80.626	170.856

Source: General Secretariat of ESYE, Workforce Survey of 1988-1997 YEARS, 1998-2009 second quarter. Processed by Institute of Labour (INE) / Greek General Confederation of Labour (GSEE)-Supreme Administrative Council of Greek Civil Servants (ADEDY) (G Kritikidis)