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Mr. Jean-Claude Juncker
President
European Commission

Mr. Valdis Dombrovskis
Vice-President for the Euro and Social Dialogue

Mr. Pierre Moscovici
Commissioner of Economic and Financial Affairs, Taxation and Customs

Ms. Marianne Thyssen
Commissioner for Employment, Social Affairs, Skills and Labour Mobility

2/1/2016, Brussels

Dear President, Dear Vice-President, Dear Commissioners,

The third Greek adjustment programme reaches a critical point with the Eurogroup meeting on 5 December. Depending on the progress achieved in the context of the second review, the Eurogroup shall return to the issue of restructuring the Greek public debt, as it is bound by its statement of 25 May 2016.

Therefore, it is clear not only that Greece should fulfil its commitments, but also that its partners should keep their side of the bargain. A comprehensive agreement including debt relief measures beyond the short-term horizon, would ensure that the debt is on a sustained downward path, substantially contribute to the country's economic recovery and ensure its return to the markets next year.

Greece on its side is obliged to implement agreed reforms, such as tax evasion laws, modernization of public administration, selected measures on competition and administrative burden, as well as establishing a transparent legal framework of political party financing. However, any debt relief measures shall not be made contingent upon labour reforms or limitations of fundamental labour rights that would push Greece outside the European social model.

Based on press releases, it appears that the Greek government is forced to accept a complete dismantling of collective bargaining and other labour laws, as a precondition for a deal on debt. In particular, Greece is prevented not only from bringing back the setting of the national minimum wage to the jurisdiction of the social partners but also from restoring the extension of sectorial collective agreements and reintroducing the favorability principle. The latter enables companies to define lower wage levels and further aggravates citizens' income. In the field of collective dismissals, pressure is placed on easing the relevant thresholds of mass lay-offs.



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It is important to underline that the relevant obligations enshrined in the 3rd Memorandum of Understanding only foresee that the authorities shall bring the collective dismissal and collective bargaining in line with best practice in the EU. However, the majority of EU countries have adopted higher thresholds on collective dismissals compared to Greece. In addition, the report of the group of independent experts¹ established to define these European best practices indicates a unanimous proposal to restore the extension of collective agreements, as well as a majority proposal to reintroduce the favorability principle, as this reflects the common practice of most EU countries. Contrary to what the IMF has claimed, the Expert Group has also indicated that collective bargaining is not counterproductive to economic progress and growth.²

Therefore, it is clear that the institutions' plans for labour market reforms in Greece are oppositional to the EU's core principles. Moreover, they violate the spirit of Article 28 of the Charter of Fundamental Rights of the European Union, Article 6 of the European Social Charter and Article 1 of Regulation 472/2013 that enshrine the right of workers and employers to negotiate and conclude collective agreements. It is also important to note at this point that the European Court of Justice confirmed on the Ledra Advertising case that the European Commission retains its role as guardian of the Treaties when acting within the ESM framework and is bound by EU law in the design and implementation of the Memorandum of Understanding provisions.

Therefore, we urge the European Commission, in line with its efforts to create a European pillar of social rights, to refrain from contributing to proposals for Greece that run counter to the European social model and avoid making debt relief measures conditional upon reforms that bring Greece further away rather than closer to the rest of Europe.

Beyond the clear legal mandate there is a crucial political question: In these turbulent times, the image of Europe imposing on a member state an arbitrary derogation from European and international labour laws can only reinforce citizens' disappointment and distrust in European institutions and democracy, contributing further to the Union's disintegration.

Yours truly,

Sven Giegold

Ernest Urtasun

Philippe Lamberts

Jean Lambert

¹ This expert group consists of eight independent experts, its composition was jointly agreed with the Greek government and the institutions and was set-up in April 2016. It was tasked with helping Greece and the international institutions (European Commission, European Central Bank, European Stability Mechanism, and International Monetary Fund) reach an agreement on labour reforms.

² Recommendations Expert Group for the Review of Greek Labour Market Institutions , page 33
<http://www.capital.gr/Content/RelatedFiles/68/6898c2f55b6f4348828383f331261304.pdf>