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### **Austerity reforms further eroding fundamental workers' rights**

Prime Minister Samaras,

The International Trade Union Confederation (ITUC) is appalled that, at a time when 13bn Euros in new cuts in wages and pensions as well as new tax hikes for 2013 are frontloaded and imposed on impoverished Greek workers and their families, new 'structural' measures are being imposed on Greece which will deprive workers of their most fundamental rights.

The Troika is exerting pressure for the government to determine the minimum wage through legislation. This would replace the existing system of free collective bargaining through which minima for wages, benefits and working conditions have been set following negotiation between the social partners through the National Collective Agreement.

The new system precludes the extension of the protective framework of collective agreements to all workers. It sets and freezes the statutory minimum wage and long-service 'maturity' allowances at the below-subsistence levels set in February 2012, and forbids any other allowance.

The effective elimination of maturity allowances means that all workers will be a priori treated as new entrants to the labour market with no accrued rights whatsoever. The planned elimination of the sole remaining benefit, the family allowance, will by stealth, inflict a further 10% cut on top of the other cuts foreseen in the austerity package.

Among other measures, the Troika is also trying to consolidate a complete overhaul of working time arrangements.

These steps being imposed on Greece violate the fundamental principles enshrined in ILO Conventions, ratified by Greece, notably on freedom of association and collective bargaining, and thus pose a threat to basic democratic rights.

Last October, the Council of Europe rightly condemned Greek labour law reforms implemented under the Troika Memorandum of Understanding. Its Social Rights

Committee ruled that two reforms contravened the European Social Charter and should be repealed. The Committee's President clearly stated that budgetary readjustments necessitated by the global economic crisis should not lead to an erosion of workers' rights enshrined in the European Social Charter.

The ITUC calls for these measures to be withdrawn, and the members of the Troika to support policies which will assist and enable Greece to return to economic growth – the only sustainable way in which the fiscal situation can be improved and decent living standards of the people of Greece ensured.

The ITUC expresses its full solidarity with the people of Greece, and will continue to support its affiliate, the GSEE, in its action to ensure respect for fundamental rights enshrined in ILO and European standards and other United Nations instruments.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'A. R.', written in a cursive style.

General Secretary

Copy to

- Ioannis STOURNARAS; Minister for Finance
- Ioannis VROUTSIS, Minister for Labour, Social security and Welfare
- Mario Draghi, President, European Central Bank (ECB)
- Christine Lagarde, Managing Director, International Monetary Fund (IMF)
- Olli Rehn, Vice President, Economic and Financial Affairs Commissioner, European Commission (EC);
- Guy Ryder, Director General, International Labour Organization (ILO)