



TRADE UNIONS AND SOCIAL DEMOCRACY IN THE 21ST CENTURY

Mutual repentance? Trade Unions and Social Democracy in Greece*

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As seen elsewhere in Europe, the Greek government's recent employment legislation has not been well received, putting the traditional partnership between the social democratic PASOK party and trade unions in jeopardy. In the context of mutual disappointment, however, can a renewed social partnership revive the country's flagging economy and hard-tested social cohesion?

Party–union relations in Greece have historically followed a pattern distinct from that of Western Europe. State patronage and clientelistic networks in a semi-democratic context dominated the political landscape until 1974. The introduction of genuine, liberal democracy that year opened the way for western-style social democracy, yet this remains work in progress. The Pan-Hellenic Socialist Movement (PASOK) has, with time, converged with mainstream social democracy and its recent organisational restructuring testifies to its willingness to renew itself. It also cultivated strong ties with trade unions over the years, and these ties remain strong at the organizational level.

Yet the over-representation of unions in the public sector, their near complete absence from large swathes of the (underpaid) private sector and their resistance to welfare reform over the decades has strained party–union relations and has rarely delivered the expected benefits to the two sides. The acute economic crisis has meant that PASOK has introduced reforms directly affecting the unions: new legislation makes employment relations more flexible, public sector pay has been reduced and industry-wide collective agreements have been weakened. Public sector layoffs, once unthinkable, have now become a real possibility. The unions have reacted with anger and a series of protests that are likely to continue as the country's financial situation remains precarious at best. As the party stresses its 'reform or die' attitude, not least to reassure markets and EU partners alike, and the unions feel that the party has 'lost its soul', the vicious circle gets larger and the Europe-wide crisis

* This essay is part of a series on union-party relations across Europe. The aim is to identify the most successful formulas for maintaining close and mutually beneficial links between labour and social democratic parties.

of party–union relations is confirmed.

Still, it is precisely in the current context of crisis and mutual disappointment that the opportunity for the revival of a genuine partnership between the party and the unions exists. For this to occur, both sides ought to reflect critically on the shortcomings of their practices. The party has hardly maintained a healthy distance from government and the state apparatus, and has easily succumbed to clientelism and favouritism, bloating the public sector. The unions have for too long maintained a rejectionist attitude to change regardless of the reformers' intentions and goals. They have also done little to break down the dual character (insiders-outsiders) of the Greek labour market and have all too frequently given the impression of acting as a standard-type interest group oblivious to societal needs and economic conditions.

In other words, a fresh start in party–union relations must begin with mutual repentance. Their partnership is more important today than ever before: at a time when social democracy is yet again on the back foot and the labour market has changed beyond recognition, an activist union movement picking the right fights and giving mass expression to societal demands for social justice is a crucial pillar of democracy and civic engagement.

For such a scenario to materialise, however, the labour market situation and the role of trade unions in it ought to be discussed first. It is through an assessment of current conditions that lessons can be learned and past mistakes rectified.

Trade union organization

Greek unionism is composed of primary-level unions that organise employees according to profession or on a company- and industry-wide basis. Second-level representation includes both associations (based on professional affiliation or company-based) and the Labour Centre (EE). It is noteworthy that EEs retain an autonomous legal personality and do not merge. The third and final level of this cumbersome structure is composed of two Confederations: the Greek Labour Confederation (GSEE), representing salaried employees in the private and larger public sector, and the Confederation of Civil Servants (ADEDY). According to its own data, GSEE is made up of 74 associations, 84 EEs and 2,425 primary-level unions. Overall, half a million salaried employees are represented through 3,710 trade unions. Available data points to a large decline in GSEE density but a large increase in ADEDY membership since the 1980s.

Trade unions and the Greek labour market

While the overall employment rate has risen over the last decade, it still falls far short of the 70% target set at Lisbon in 2000. The same holds for employment for those aged over 55, where hardly any progress has been recorded since the mid-1990s. Additionally, the overall employment rate hides the female employment rate which, at 47.9%, is the third lowest in the EU27 after Italy and Malta. This could be linked to the exceptionally low levels of part-time employment, but does not suggest the absence of flexible employment practices. Fixed-term contracts are only marginally below the EU average (11.5% as opposed to 14.0% in the EU27 in 2008), and employers are allowed to use 'temporary suspension' and 'compulsory overtime' to enhance flexibility based on individual agreements with employees. The rampant unregistered economy offers a further tool for flexible labour relations, not least through the massive influx of immigrant labour since the mid-1990s. The slight drop in unemployment recorded before the crisis hit home, from 11% in 2001 to 8% in 2007, conceals the stubbornly high levels of structural unemployment for the young and women. At the end of 2010 unemployment had climbed to 13.9% and is projected to increase further as the crisis forces SMEs to close shop. Finally, education and training provisions for Greek

employees are the lowest in the EU25 – only Bulgaria (1.4%) and Romania (1.5%) spend less than Greece's 2.9% for all employees in the EU.

The structure of the Greek labour market makes for interesting reading. Despite its rise in recent years, salaried employment in Greece still stands at a mere 64.1% compared to about 84% in the EU15. Industrial employment has been in steady decline since the 1980s and today comprises little more than 10% of overall employment. It is therefore little surprise that trade union density has declined to approximately 25% compared to more than 40% in 1990. However, public sector unionism has been on the increase since then and according to available statistics, net union membership has been on the increase since the late 1990s. From a quantitative point of view, Greek unions remain important.

What is therefore significant to underline is not the crisis of trade unionism per se, important as the subject may be but, rather, that Greek trade unionism has become almost exclusively a public-sector affair, unwilling or unable to attract migrants, the young, 'flexible' workers and those employed in the services sector. To top it all, Greek unions do not even collect statistics on the presence and activities of women in unions, an indefensible omission in today's labour market.

Which way forward? Designing a new party-union partnership

Taking these structural factors into account, how should party–union relations be developed in the future, and how can such a partnership revive the country's flagging economy and hard-tested social cohesion?

There is an urgent need is for trade unions to become more relevant to working people's lives, especially those with inadequate coverage via traditional forms of social protection. The current exclusion of a large proportion of the working population from these statutes means that the unions are in no position to represent vast swathes of the working population. This has immediate consequences regarding the lack of social security coverage affecting large numbers of the working population. What is more, it leads to popular apathy, if not antipathy, towards the unions as it reduces their legitimacy and allows them to be portrayed as composed of a closed circle of interest-driven careerists.

Industrial activism has a future to the extent that it is truly representative of those whose lives are affected by change in the labour market. Organizational restructuring by way of less red tape, reduced fragmentation and quotas for the youth and women in their representation organs are all simple steps to take that can make a lot of difference. This would then enhance the appeal of the unions among the working people and provide social democrats with added arguments to take the unions seriously into account before formulating policy.

For the latter goal to be attained what is also needed is added technical expertise provided by both the unions and the party. In-depth labour market analysis incorporating current trends and future projections would allow party and unions to design policies for the long term and provide both sides with persuasive arguments about not only the desirability but also the feasibility of progressive changes in labour market legislation.

Overall, then, party–union relations in Greece are not too dissimilar from their equivalent elsewhere in Europe. A heavy historical legacy combined with an interest-group approach displayed by both sides over time has reduced their appeal and harmed their common causes. A new start at a time of crisis that aims at organizational restructuring, fresh policy recommendations and open channels of communication is a promising way forward. A genuine, value-based partnership can and should

replace the current calculus-based exchanges between the two sides. The crisis, in that sense, provides a genuine opportunity.

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