



Greek Tourism Confederation's position statements - 2015

LABOUR ISSUES

1. National General Collective Labour Agreement

As the voice of all people working in the tourism sector, and a collective body keenly aware of the need to be a responsible social player, SETE took part in the negotiations for and countersigned the National General Collective Labour Agreements for 2013 and 2014. SETE is committed to representing all its members, every single small businessman, every single worker on every island, mainland and remote area in Greece, and so supports the National General Collective Labour Agreement which will become a powerful tool when the social partners recover the ability to set the minimum salary.

SETE has given its unwavering support to collective bargaining and to developing working conditions based on cooperation and collaboration. The Hellenic Hoteliers Federation, which is one of the largest sectoral bodies, and a member of SETE, signed a sectoral collective agreement for hotel staff in 2012 and 2013, ensuring that labour relations remained within their well-established framework, and agreeing with employees the first increase in pay in the private sector despite the unprecedented economic crisis.

2. Minimum salary

From the outset SETE was opposed legislation which mandated a reduction in the minimum salary specified in the National General Collective Labour Agreement. In any event most businesses which are members of SETE pay their employees more than the pay specified in the National General Collective Labour Agreement, recognising the real contribution they make to Greece's tourism product and the experience that tourists enjoy. It therefore stands to reason that SETE is not opposed to an increase in the minimum salary, as long as the return to pre-2012 levels is done gradually, taking into account conditions in the marketplace. It should be stressed that in our view the minimum salary ought to be set by the social partners in the context of the National General Collective Labour Agreement not by legislative intervention. We are not opposed to tripartite negotiations, i.e. to representatives of the State being involved in such talks, but the initiative should be left to the social partners who must have the power to decide on the matter.

As far as the issue of the minimum salary for young employees aged below 25 is concerned, SETE believes the current distinction based on age needs to be abolished, and some countermeasure needs to be adopted as an incentive for businesses. This could entail a major reduction in non-wage costs. This would stimulate recruitment of young employees, and thereby help combat the very high rate of unemployment and the conditions that prevail in the marketplace.

3. Extension of the validity of collective labour agreements

SETE has repeatedly stated it is in favour of reinstating the provisions that allowed the validity of collective labour agreements to be extended, since this protects fair competition between businesses.

4. Organisation for Mediation & Arbitration (OMED)

SETE supports social dialogue and collective bargaining as a means of resolving collective disputes, and is in favour of bolstering the role played by the Organisation for Mediation & Arbitration (OMED) as a mediator. Our members' experience to date from how OMED operated, when they could seek unilateral resource to arbitration, showed that mediation had been downplayed and had merely become a mandatory, procedural stage before the parties turned to arbitration. However, mediation is a procedure that can foster frank, open debate between the parties. Arbitration ought to be viewed as a solution of last resort in collective disputes, since it doesn't result in a collective agreement but a third party decision. Encouraging arbitration to the detriment of mediation is, in our view, contrary to social dialogue and free bargaining.

5. Non-wage costs – Social security contributions

The reduction in social security contributions that has already taken place was clearly a move in the right direction, because it reduced the excessive tax burden on labour. Our view is that (a) a further reduction is needed to bring the amount of social security contributions paid close to that of Greece's competitors, and (b) a reduction / break should only be available to businesses that pay consistently as a reward for them and incentive for the others. The cost of such a reduction could be covered by revenues generated by stamping out contributions evasion, and uninsured work, which are clearly objectionable forms of behaviour and must be curtailed via strict inspections. They not only impact negatively on social security fund revenues, but also undermine proper competition.

6. Insurance with the OAEE Fund

Owners of small-scale tourism enterprises, most of which are family businesses that operate seasonally for a few months a year, are as a rule unable to pay their contributions to the OAEE Fund. We consider the level of contributions to be excessive compared to their revenues, and in quite a few cases when you add taxes, levies and contributions together, the figure exceeds the turnover generated by these businesses. These businesses are the life blood of local communities and economies and safeguard local jobs. Thanks to unbearably high contributions it is almost certain that these businesses will have to close down, with important direct and indirect repercussions on local growth and business. It should be noted that it is this type of accommodation which is most affected by apartments being illegally rented to foreign tourists, i.e. by an illegal activity, which results in tax evasion, depriving the Greek State of tax revenues.

7. Social tourism

Over the years social tourism schemes gave thousands of beneficiaries the chance to enjoy exceptionally low cost holidays. They are a tool whose benefit is proven for both the beneficiaries (primarily comprised of people from vulnerable social groups) and for small hotels in the Greek regions, which were the main participants in the schemes, for local communities in general and for local jobs.

For years now competing countries have been extending such schemes, with tourism for the elderly even being subsidised by the EU. This has helped them address unemployment and seasonality while also performing a social function. We consider that it is now the right time to design and implement such actions in Greece. We believe they are bound to generate much more than the resources invested.

We appreciate the fiscal difficulties that exist, and understand that social tourism schemes have been in decline because of these constraints. However, we believe that once Greece's fiscal situation begins to recover, there should be a return to the levels seen in previous years.

8. Social contract

Tourism is an exceptionally vulnerable sector, affected by a large range of factors, the most important of which is the social situation in Greece. Tourism is a key pillar of the Greek economy. All of us operating in the tourism sector are duty-bound to protect and safeguard the uninterrupted operation of the sector. Demonstrations and strikes in the middle of the tourist season are the worst possible slur on Greece's tourism product. The social partners and the State are obliged to make a real contribution to ensuring social peace by concluding a social contract. An initiative like this would ensure that during the peak tourism season, which runs from early May to the end of September for most areas of Greece, the State would avoid adopting legislative reforms and taking measures that could cause reactions and demonstrations by all or specific groups of employees, professionals, etc. and the social partners would make every effort to resolve any problems that arise through dialogue, thereby avoiding strikes, demonstrations, protests and the like. Similar agreements could also be signed at local level between local trade unions and professional associations and local bodies, and because of their limited scope they could be more easily adapted to the special needs of each area.

9. Proactive employment and vocational training policies

To help combat unemployment and enable workers in the sector adapt to emerging changes by upgrading their skills, one of SETE's priorities is to improve the effectiveness, quality and added value generated by job and training schemes. A key condition is that these schemes reflect the actual needs of the unemployed, workers and businesses in the tourism sector. SETE and other Social Partners can and must plan a new, more active and substantive role as links between the State, businesses and Greece's workforce. With that in mind, SETE priorities are:

- ▶ The active involvement of the Social Partners in planning and, especially in implementing job promotion schemes and vocational training courses for the unemployed and workers must be statutorily enshrined.
- ▶ Systems, mechanisms and standards need to be put in place to ensure the quality of vocational training and the certification of professional qualifications based on the most efficient international models.
- ▶ A national system for reliably identifying shortcomings and requirements for skills and professional qualifications in good time needs to be developed and established, with the active involvement of SETE for the tourism sector.
- ▶ Apprenticeship schemes and work experience schemes need to be of better quality and implemented better, to ensure the greatest possible degree of absorption of young people into job posts.
- ▶ Available resources from the new NSRF need to be allocated in advance to sectors of the economy and programmes implemented via partnerships between the State and the Social Partners.

We also propose that in the year ahead the specialised schemes to retain and promote jobs which were run by the Hellenic Manpower Employment Organisation in 2010-2012 be repeated. They helped retain 12,000 jobs and ensured that 80,000 seasonal jobs in the tourism sector were created. These are particularly important developments bearing in mind the changes made in recent years to how unemployment benefits are paid to the seasonally unemployed, which have resulted in a major drop in the number of people entitled to benefits.

Programs linking training, the labour market, and work experience

In April 2013 the Ministry of Labour, Social Insurance and Welfare assigned the Greek Tourism Confederation (SETE) the task of implementing a programme designed to link training to the labour market and the acquisition of work experience in the tourism sector for young people aged up to 29. That programme came to an end in October 2014.

Many young people were extremely interested in SETE's programme, with more than 55,000 applications being submitted. Evaluation of the programme carried out by an independent body showed that 35% of the participants found jobs after their work experience ended while 64% of them are employed full time and 6 out of 10 of them have fixed term contracts, primarily due to the seasonality affecting the sector. 88% of participants spoke positively about their work experience and 77% were positive about their working environment. Another exceptionally important fact is that 88% of participants were able to do work experience at SMEs which are the backbone of the sector, and need major support through similar initiatives.

Given that this programme was a success and the positive prospects tourism holds out for youth employment, on 16.12.2014 the Ministry of Labour, Social Insurance and Welfare once again decided to assign the SETE Institute (INSETE) the task of implementing a new similar programme in the tourism sector for unemployed people aged up to 29.

The new programme designed by INSETE is intended to ensure an even higher level of absorption of young people by the businesses they do their work experience at. There are important innovations: detailed theoretical training is to be provided to young people in specific areas of specialisation in the sector identified during a survey. Training courses will be backed up with training materials and manuals to be provided by INSETE to the instructors providing theoretical training, who will be obliged to use those materials to teach participants. Once work experience is completed, the professional qualifications of the participants will be certified using certification methods based on internationally recognised standards, which are well-respected by businesses in the sector. It is clear that the philosophy underscoring this particular programme for tourism and the way in which it has been targeted make it quite different from the classic 'voucher' schemes that have been implemented so far, and we believe this programme ought to go ahead.

SETE is open to discuss the specific program with anyone interested, and to present our views about how to improve the effectiveness of vocational training schemes and the role SETE can play as a link between the State, businesses and the workforce in the tourism sector.