



Temporary agency work: national reports

Greece

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Summary

Temporary Agency Work (TAW) that is, the triangular relationship between temporary work agencies - temporary workers - user enterprises, although not illegal is still not regulated in Greece.

TAW is existing to a very small extent in Greece for some time, while recently, at least two multinational companies operating in the field of "Human Resources" (Manpower & Adecco), are offering TAW services to their clients (user enterprises).

All the social partners agree for different reasons that TAW should be regulated.

The big temporary work agencies, operating in Greece, at present are pressing for the establishment of a strict regulation, hoping that in this way they will drive out of the market some small agencies, which will be unable to meet the requirements of the new law.

Labour Unions do not object to a TAW regulation, since TAW is considered inevitable and without regulation it may increase flexibility to the detriment of employees.

Labour Ministry officials have been preparing a legislative framework for TAW the direction of which is that:

- TAW will include employees of all specialties but for the private sector only. Employees in the public sector cannot be included in TAW, since the public sector employment procedure, irrespective of its duration (even for fixed term contracts) is ruled by special legislation, which does not allow private companies to be involved in the selection of employees.
- The temporary agencies will have to fulfill some fundamental criteria (e.g. employing managers with special education, guarantees of financial credit in order to ensure the payment of their TAW employees e.t.c.).
- The temporary work employees will have equal rights with the employees with indefinite time contracts.
- The income of the temporary agencies will be a percentage of the total payments made by the user enterprises for TAW. The upper limit of this percentage will be set via legislation.

New Legislation passed last January making the overtime work less attractive to the employers might benefit the official or unofficial TAW, although no much of progress can be expected, unless the authorities manage to control the huge number of illegal immigrant workers living in Greece.

Temporary Agency Work (TAW) that is, the triangular relationship between temporary work agencies - temporary workers - user enterprises, although not illegal is still not regulated in Greece. More specifically there is no legal framework defining any of the following vital aspects of this relationship :

- Agents' Status & Qualifications
- Temporary Workers Rights
- General Restrictions (sector, time, relation to occupational safety and health, relation to collective bargaining etc)

Therefore, Greece should be included in the category of “Liberal” countries, as far as TAW is concerned, to the extent that this implies that anything that is not specifically prohibited by law is allowed.

TAW is indeed existing to a small extent in Greece for some time, while recently, at least two multinational companies operating in the field of “Human Resources” (Manpower and Adecco), are offering TAW services to their clients (user enterprises).

Other forms of atypical work are also used in Greece and some of them - fixed term contracts, seasonal working - are very much regulated, while others (e.g. employment through sub-contracting) are not considered as forms of employment.

The absolute lack of any statistical data, regarding TAW and the limited amount of data on other forms of atypical work in Greece, is limiting to a large extent the scope of this report to qualitative analysis. In our effort to provide as much information as possible on TAW in Greece we have, as we had declared in our proposal, interviewed officials in the Greek Ministry of Labour, and the “Labour Studies Institute” of the General Trade Union Association trying to investigate the intentions of the state and the unions regarding TAW. We also paid some visits to the firms mentioned above that are currently offering TAW type services in Greece.

It has become abundantly evident from these interviews, and in spite of the lack of hard statistical data, that the number of Temporary Agency Workers in Greece is at present extremely small. Therefore, we have tried to find out the reasons the social partners have not forced the state to institutionalize and regulate TAW, as already happens in all other E.U member countries. These are outlined in the sections that follow. To start with, however, we will present in the next section an overview of the Greek labour Market that gives the background information for the rest of our study. Then in Section 3 we present the Regulatory Framework in Greece and in Section 4 we present the views of the social partners. Section 5 reviews the informally operated employment procedures for TAW in Greece and Section 6 offers concluding comments.

Greek labour market statistics

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Relevant statistical data, concerning Greek Labor Market for the period from 1990 to 1999, are given in the Annex to this report. These data have been provided by the National Statistical Agency of Greece.

From an examination of the Figures in the Annex it is clear that the main characteristics of the Greek Labour Market are the following:

- Unemployment has been steadily increasing in Greece since 1990 and reached the level of 12.4% in 1999.
- The percentage of part time workers has been historically (for the period from 1990 to 1999) hovering around the level of 5% of the total number of the employed workers. It is worth noticing that women part time workers are almost double in numbers than the male part-timers.
- Most of the part-timers choose this type of employment because they failed to find a full time job. This holds throughout the period under examination as shown in Figure 3.
- The fluctuation of working hours per week for each employed person is presented in Figure 4. The Figure exhibits a well-known phenomenon in Greece, that of excessive overtime work. In 1999, 31% of the employed workers have worked over 47 hours per week, whereas 41% has worked 40-47 hours per week (as opposed to the 40 hours per week specified by the Greek Labour law).
- Unemployed workers have not a lot of faith to Private or Public Recruitment Organizations, since until 1997 only 13 - 14% of the unemployed contacted them in their effort to find a job, whereas the rest preferred another way (i.e. newspapers, friends, e.t.c.). However this percentage was steadily increasing in parallel with the increase of unemployment to exceed 50% of the unemployed in 1999. (Figure 5).
- Finally Public Recruitment Organizations attract the vast majority (85%) of the unemployed. (Figure 5).

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The regulatory framework

The Private Job-Counseling Agencies (PJCA)

The closest to the kind of Agencies involved in TAW in other countries that has been identified in Greece is that of Private Job-Counseling Agencies (hereafter abbreviated as PJCA), as defined by the Article 5 of Law 2639/98 and the Presidential Decree 160 of the 23-7/3-8-99. However, the Greek PJCAs do not by any means constitute agencies. They solely act as intermediaries and do not have any kind of contractual relationship with the workers.

According to the presidential decree, the PJCAs act as intermediaries in placement services, especially for artists, models, accountants, persons who hold executive or confidential jobs, tourist guides, building and technical construction workers, cleaning personnel etc. PJCAs must assess the qualifications and abilities of the worker, through private interviews. Also, the agencies must provide detailed information on the exact content and terms of the job-counseling agreement and on the work he/she will be required to perform as well.

According to unofficial information provided to us from the Ministry of Labour, since the day of enforcement of Presidential Decree 160/99 (3-8-1999), 50 companies (agencies) have applied to the Ministry requesting the relevant license. Three licenses have been already issued, while Ministry officials are expecting that the total number of licensed agencies will not exceed 10. It maybe conjectured that these Agencies would in due course be also the principal agencies for TAW.

Temporary agency work: present regulatory status

The Greek Ministry of Labour considers that TAW, which it recognizes already exists even if only to a very limited extent in Greece, should be regulated. Therefore some general directions have already been drafted, in order sooner rather than later to compose the framework of the new legislation. However it should be stressed that the new Labour Legislation approved by the Parliament last January, although it was drafted in order to increase the flexibility of the Labour Market in Greece, does not include any reference to TAW or to any other forms of atypical work. Thus we can only refer here to what appear to be the views of the Ministry concerning TAW, views that may be incorporated into a legal framework in the future.

So, currently the positions of the Ministry, on the general aspects of TAW, are the following:

- TAW will include employees of all specialties but for the private sector only. Employees in the public sector cannot be included in TAW, since the public sector employment procedure, irrespective of its duration (even for fixed term contracts) is ruled by special legislation, which does not allow private companies to be involved in the selection of employees.
- The temporary agencies will have to fulfill some fundamental criteria (e.g. employing managers with special education, guarantees of financial credit in order to ensure the payment of their TAW employees e.t.c.).
- The temporary work employees will have equal rights with the employees with indefinite time contracts.
- The income of the temporary agencies will be a percentage of the total payments made by the user enterprises for TAW. The upper limit of this percentage will be set via legislation.

The above position of the Greek Ministry of Labour was considered in our discussions, as still very raw and general. A lot of changes might occur until the final framework for legislation will be prepared, given the fact that no dialog between the Ministry, the labour unions, and the confederation of employers, has taken place yet, on this specific issue.

Nevertheless, one crucial point for the ministry is that TAW should be regulated soon since otherwise temporary workers might de facto start substituting indefinite time employees.

4 The views of the social partners on TAW

Labour unions

To start with we should point out that Greek Labour Unions are generally against legislation, which, according to their view, contributes to the liberalization (or increase in the “flexibility”) of the Greek Labour Market.

This stance, according to the Labour Studies Institute (LSI) - an organization funded by the General Trade Unions Associations of Greece - is not emanating from hard line populist ideas, but from the belief that the liberalization proposed by recent Greek Labour Laws is only against the economic interests of the workers, without contributing to the decrease of unemployment levels in Greece. The Unions believe that the big problem of the Greek Labour Market is not its inflexibility, but the inability of the state to enforce the labour regulations that already exist. Therefore the Unions see that the liberalization of the existing laws, instead of reducing unemployment, is giving the employers the opportunity to take advantage of the increased flexibility in the working conditions, without abiding by the law, as far as their obligations towards the workers are concerned.

However, since on the one hand TAW is an established form of employment all over the E.U and on the other hand it exists “de facto” in Greece, the unions feel that the establishment of a regulatory framework is essential. More importantly, such a framework will need to be strictly enforced by the responsible state agencies, or, there is a strong chance to be implemented in ways that will be at the expense of the workers' interests.

The main principles that, according to the unions, need to be addressed by such a legal framework are the following:

- The TAW needs to be homogeneously applied to the Greek Labour market as a whole, concerning both the Public and the Private Sector Workers and including all kinds of employment specialties.
- Temporary Workers need to have equal rights and responsibilities compared to full time workers with the same qualifications. Equality needs to be ensured especially for the following:
 - Wages
 - Working Hours (duration, holidays etc)
 - Pension and Insurance Schemes
 - Working Conditions
 - Education
 - Right to go on a strike
- The duration of temporary work contracts should not exceed 12 months.
- Related to the above, temporary agency workers should not be employed to cover permanent user enterprise needs, which implies the prohibition of having many successive contracts between the same employee and a user enterprise.

Employers

Greek employers, have repeatedly in the past publicly declared, their viewpoint that the Greek Labour market is very rigid and new legislation is needed to increase its flexibility and adaptability to the requirements of the economy's globalization and increased competition. Thus to the extent that TAW once regulated, will tend to increase the flexibility of the Greek labour market, employers view it as a positive development.

Temporary agencies

Two of the biggest companies offering services in the field of "Human Resources" in Greece were twice interviewed (ADECCO & MANPOWER). The companies already function informally as agencies for temporary work in Greece. Both believe that the existing legislation, concerning the PJCA's, is not effective and has to be modified. The agencies desire a "strong" and fully detailed law, so that temporary workers will not be taken advantage of.

The Agencies also believe that the main reasons of the limited (even if informal) use of TAW in Greece are the following:

- The traditional way of thinking of the local businessmen.
- As already mentioned above overtime in work, without extra payment or with a small surcharge, is very common in Greece, thus making preferable the use of existing workers for more hours, instead of hiring temporary personnel. It is only recently that the laws relating to overtime work have become stricter.

Due to the vagueness in the legal situation both Agencies were very reluctant to provide hard evidence relating to the extent of TAW undertaken by them. One of them mentioned confidentially that they have undertaken about 250 contracts whilst the other did not wish to give even an estimate.

In spite of these facts it is worth noting that the new Labour Legislation (January 2001), which on the one hand introduced lower limits for overtime hours without payment increase and on the other hand introduced higher payment surcharge for overtime work is expected to lead to an increase of TAW activity in Greece.

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Employment procedures and employee rights

From the interviews with the Agencies mentioned above we discovered that the (“de facto”) applicable operational procedures of the temporary work agencies in Greece are the following:

- The temporary worker comes to the agency and provides his/her resume, which is filed in the agency's database.
- The user enterprise also contacts the agency and files demands for employees with specific profiles.
- The agency searches in its employee database to find the most appropriate person.
- If an appropriate employee is found he/she is called for interview by the Agency and user enterprise and goes through some tests of evaluation.
- A person if appropriate for the job is then contracted by the temporary agency for a limited period of time, which is equal to the time the user enterprise needs his/her services.
- A contract is also signed between the temporary agency and the user enterprise. This contract specifies in detail the exact nature and the duration of the job.
- Temporary workers' enumeration depends on several factors, such as the duration of the contract, the rarity of the specific specialty etc. However, the wages and salaries are never lower than those, which are set by the collective bargaining agreements. The same holds with regard to insurance.

It follows from the above that, in general, it seems that even though TAW it is an unregulated activity, at present, the temporary workers in Greece have equal rights with the indefinite time employees (salaries, insurance, etc.).

Furthermore, and far as working conditions are concerned, the agencies carry out inspections of the user enterprises to check whether the health and safety conditions are satisfied.

Nevertheless the exact relationship between employee - agency and user enterprise concerning the exact duties and responsibilities of each is not always clear and this is the main reason according to the Agencies for the necessity of legislation of TAW.

Conclusions

- TAW is at the moment a rarely found form of employment in Greece and it is absolutely unregulated.
- The state and the social partners agree for different reasons that TAW should be regulated.
- The big temporary work agencies, operating in Greece, at present are pressing for the establishment of a strict regulation, hoping that in this way they will drive out of the market some small agencies, which will be unable to meet the requirements of the new law.
- Labour Unions do not object to a TAW regulation, since TAW is considered inevitable and without regulation it may increase labour market flexibility to the detriment of employees.
- New Legislation passed last January making the overtime work less attractive to the employers might benefit the official or unofficial TAW, although no much of progress can be expected, unless the authorities manage to control the huge number of illegal immigrant workers living in Greece.
- Even though officials of the Ministry of Labour have been preparing a legislative framework for TAW no such framework has as yet been incorporated in the new Labour Legislation.

Statistical data

Figure 1: Labour Force in Greece

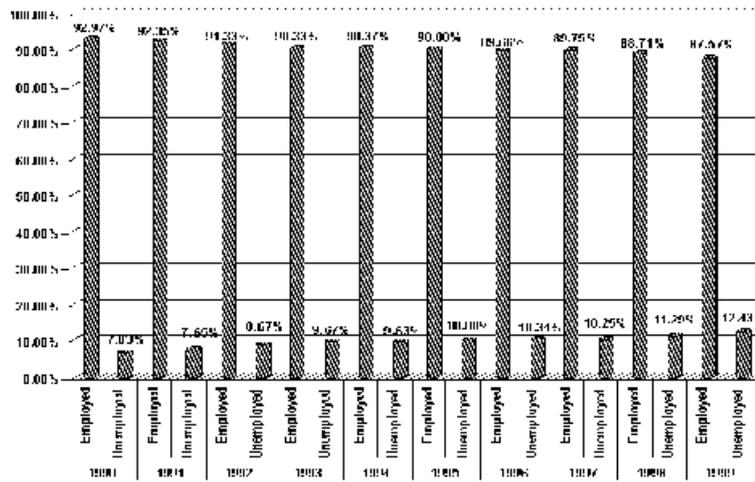


Figure 2: Total Occupational Profile (Full time - Part time)

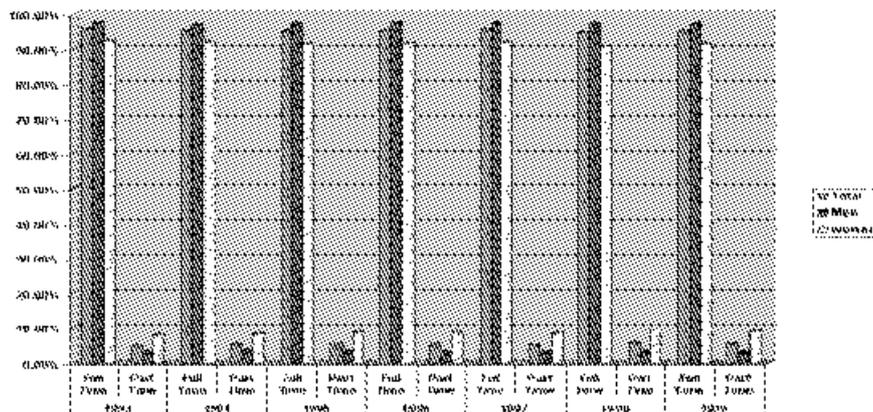
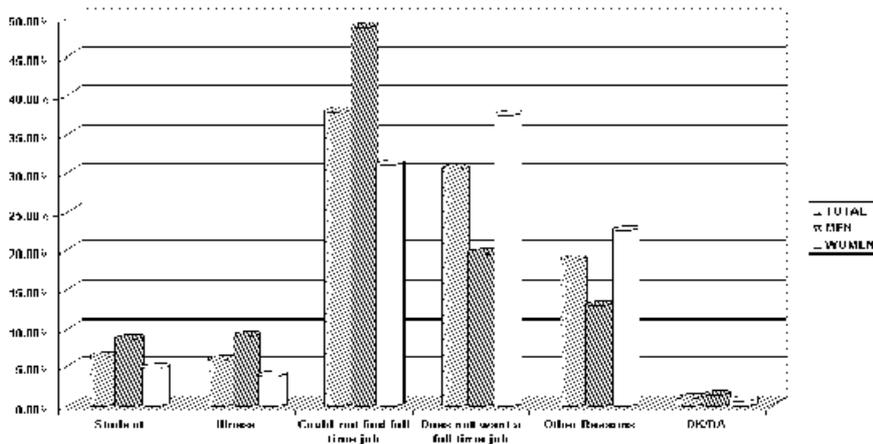
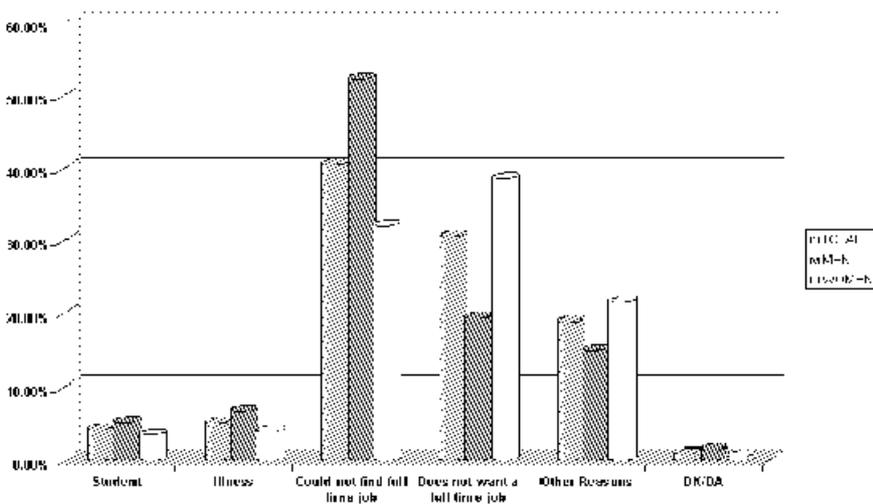


Figure 3: Main Reasons for which People work Part time (years 1993-1999)

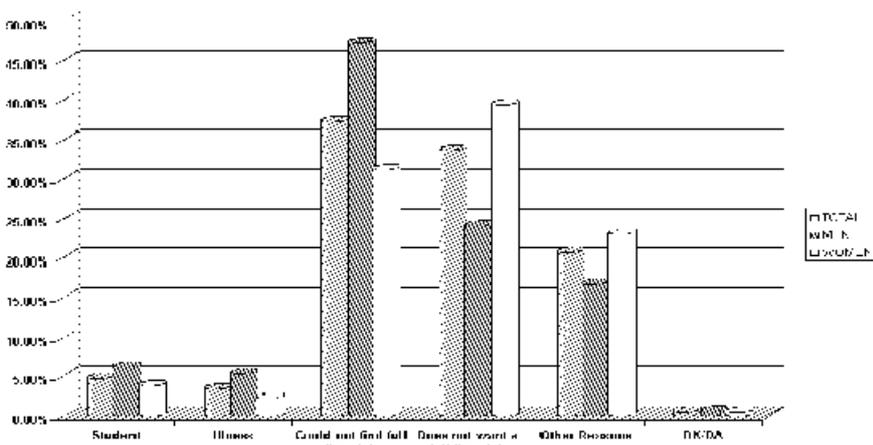
1993



1994

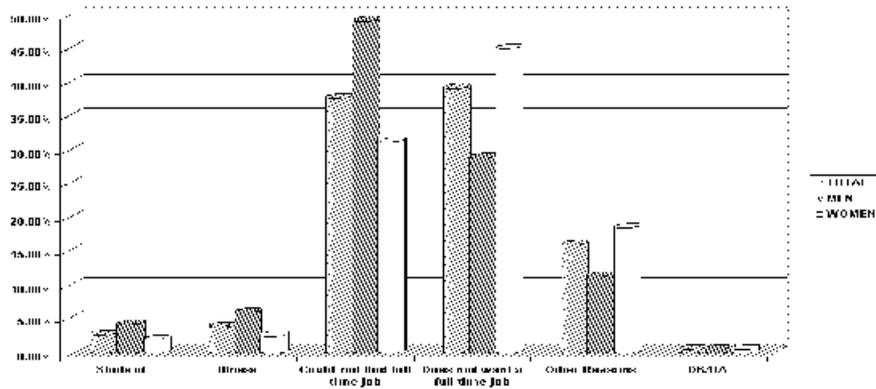


1995

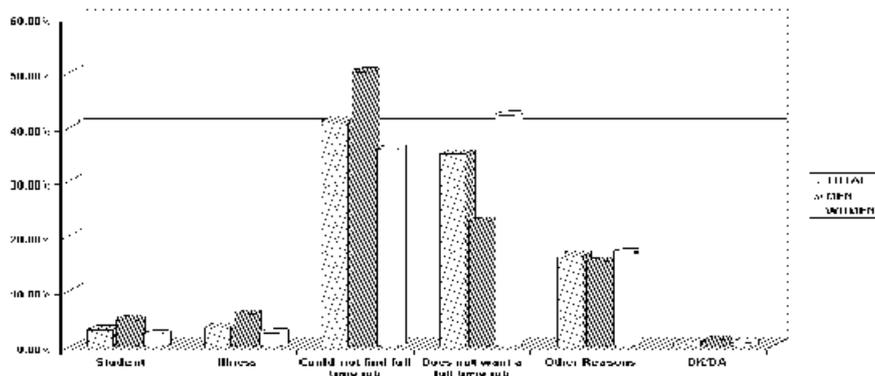


Temporary Agency Work: Greece

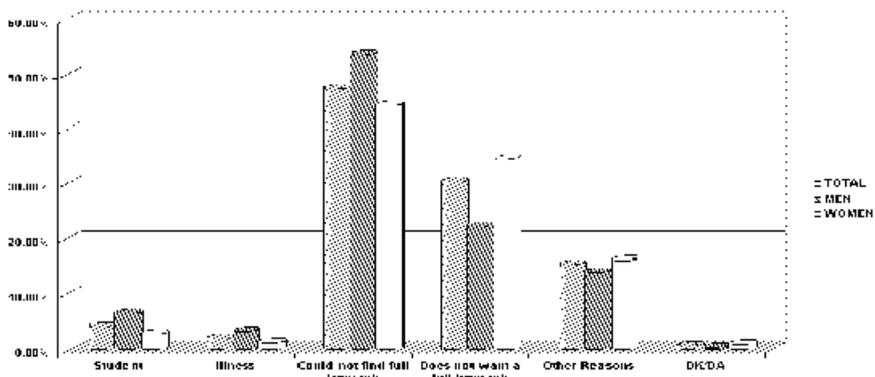
1996



1997



1998



1999

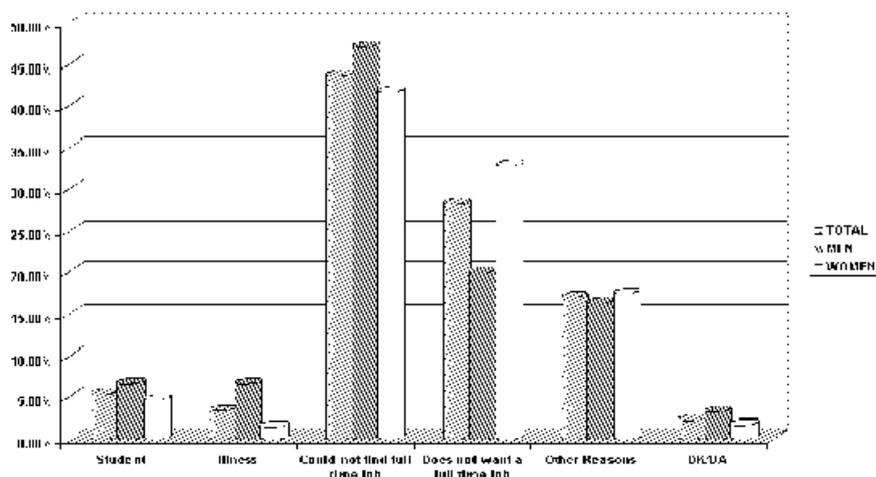


Figure 4: Working hours per week

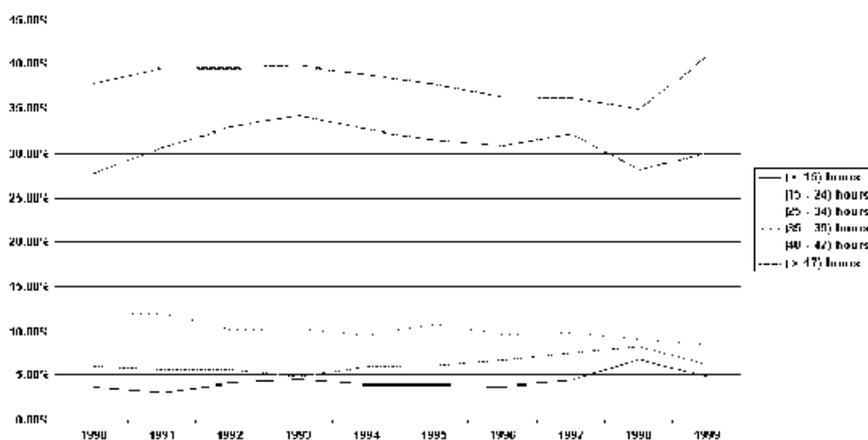


Figure 5: Unemployed People who contacted Private and Public Recruitment Offices

