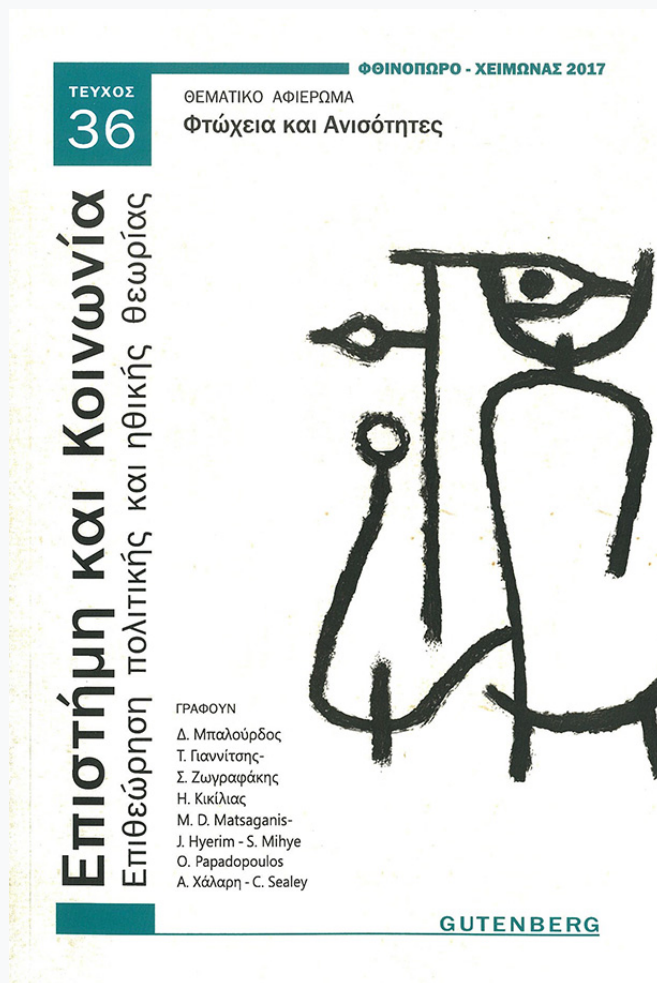


## Science and Society: Journal of Political and Moral Theory

Vol 36 (2017)

Φτώχεια και Ανισότητες



### Economic crisis and youth unemployment: The Greek case

*Orestis Papadopoulos*

doi: [10.12681/sas.10779](https://doi.org/10.12681/sas.10779)

Copyright © 2018, Orestis Papadopoulos



This work is licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 4.0](https://creativecommons.org/licenses/by-nc-sa/4.0/).

#### To cite this article:

Papadopoulos, O. (2018). Economic crisis and youth unemployment: The Greek case. *Science and Society: Journal of Political and Moral Theory*, 36, 145–172. <https://doi.org/10.12681/sas.10779>

*Orestis Papadopoulos\**

ECONOMIC CRISIS  
AND YOUTH UNEMPLOYMENT:  
THE GREEK CASE

---

Young people have been hard hit by the crisis and the austerity measures implemented in Greece since 2010. After six years of significant changes in the Greek employment and social system young people face burgeoning difficulties to find quality and well-paid jobs while the proliferation of flexible and insecure ones has taken an epidemic form. This article presents the labour market reforms implemented in Greece and shows that these reforms have shifted the bargaining power in favor of employers as labour power has become rather cheap, flexible and adaptable. The narrative that flexibilization will assist economic growth and generate quality jobs seems to be fading away since most newly created jobs are temporary, part-time and low-paid. The dismantling of collective agreements and labour laws through which young employees used to guarantee some protection has meant that poverty, insecurity and deprivation have become persistent features of their social existence.

---

\* Lecturer at the Management School, Keele University, UK <o.papadopoulos@keele.ac.uk>

## *Introduction*

The crisis that erupted in Greece in 2009 has prompted an unprecedented social and humanitarian crisis whose exact proportions can be hardly measured due to the ongoing nature of the crisis and austerity measures. The widespread feeling, cultivated mainly by Syriza, in the Greek society that austerity could end through a different management of the crisis based on social justice, social-democratic principles and eradication of neo-liberal policies has faded away. This discourse attracted much support as evidenced by the rise of Syriza to power in January 2015. Syriza enacted a Third Memorandum in August 2015 accompanied by more austerity measures and harsh institutional reforms – recently approved by the coalition government and the main opposition parties. Thus, despite fierce rhetorical opposition to the previous two Memorandum Agreements and the repetitive pledges to oppose austerity, Syriza is now often praised by European leaders for its commitment to implementing harsh reforms (thetoc.gr. 2016). The legislative framework introduced by the first and second Memoranda has been left intact by Syriza while there is a widespread concern that the completion of the ongoing second review of the Greek Program will be accompanied with substantial changes in the employment relations framework with a focus on further reductions in wages (for young people) and amendments in trade unions' rights. These developments have caused feelings of distrust in wider strata of the Greek society but so far only a minority of people have actively resisted the proposed reforms (iefimerida 2016). One segment of the Greek population that has been hard hit by the crisis and the labour market reforms is young people. This article aims to shed some light on the policies implemented in Greece for young people and assess how these policies affect the social and employment conditions of the young generation. In addition to that, the article aims to identify how and whether collective organizations (mainly unions) have produced

any response to the deterioration of young people's social and working lives.

### *Economic Crisis and Youth Unemployment*

The eruption of the economic crisis in 2008 has caused a severe unemployment crisis as many employees have been made redundant and at the same time the possibilities of finding a new job have been seriously undermined by the extended period of crisis (Eurostat 2012). Although the crisis has widespread effects on labour market, some segments such as young people have been especially hard hit as their unemployment rates have increased dramatically and their labour market position has deteriorated across socio-economic settings (Scarpetta et al. 2010; Dietrich 2013). Evidence provided by Eurostat (2016) has shown that young people's unemployment rates have increased more than those of their adult counterparts. In EU as a whole (EU-27), youth unemployment rates for those aged 15-24 stood at 20.2% in 2015 when in 2008 the unemployment figure was 15.6%. Similarly, the employment rates for the 15-24 age group has decreased from 37.3% in 2008 to 33.2% in 2015. While there are significant differences between member states' youth unemployment and employment rates, the number of EU jobless young people is rather high across the continent, posing questions regarding the validity of EU and national narratives that growth is positively related with jobs and especially good quality ones. The increasing rise of flexible employment contracts even in countries with high economic growth (Germany, United Kingdom) casts additional doubts on the view that economic growth is equated with the entrance of young people in secure and well-paid jobs (Guardian 2016). This insecure situation is exacerbated by the increasing incidence of inactiveness among young people across many EU countries. According to Eurostat (2016), in 2013 among young people aged 15-24 thirteen percent were not in employment, education or training (NEETS) while for the 25-29 age group one in three (30%) belonged to that category.

These developments have raised concerns among European politicians and employers since a significant part of the young generation is excluded from the labour market for long periods of time with potentially detrimental effects in terms of skills availability for businesses, growth for economies and social cohesion for societies (Eurostat 2015: 162). The likelihood of generating disruptive and uncontrolled waves of violence due to the anger and distress of young people is one of the concerns expressed by national governments and international organizations. However, the dilemma facing national states and businesses is that the deregulation and austerity policies pursued as a response to increased international competition has a twofold contradiction; they might achieve the reduction of labour costs and the rise of profitability levels but at the same time they are accompanied with unemployment, insecure and flexible forms of employment and social exclusion. Thus, the narrative that labour market reforms are a precondition of economic growth and social prosperity widely used by EU and national governments is seriously undermined by the realities of young Europeans as these have been reported by the EU statistical authorities themselves. These realities remind us that economic growth is not a neutral economic outcome but is built upon certain socio-historical conditions (capital-labour relations) and political arrangements that prevent the economic outcomes to be equally and fairly distributed despite pronounced political narratives and objectives. In a context of fierce global competition, affected by the increased difficulties for overcoming the economic crisis, the political management of the crisis is mainly concerned with securing a more favourable environment for investments and growth whose translation in social and employment spheres is the further squeezing of established social and employment rights. In the field of youth employment, the above-mentioned political and economic developments have been materialized in the rise of a precarious young generation whose labour market status is very often locked in a successive wave of transitions from unemployment to employment or training and backwards. The

available data show that part-time and temporary jobs are on the rise across the EU (EU-27) as in 2015 almost half of those aged 15-24 are employed on temporary contracts while one in three are on part-time jobs. The proliferation of flexible patterns of work in combination with the dominance of vocational training programs show that for many young people exploitative working relations and absence of standardised employment patterns will not be a transient and 'in-between' liminal passage but rather 'a permanent temporariness' whose full consequences will be unfolded in the form of increased working poverty, marginalization and exclusion (Papadopoulos & Bithymitris forthcoming).

### *The Greek youth employment and social model*

Greece has been traditionally associated with high employment protection legislation and very rigid youth labor markets that prevent young people from securing a job. According to Dedousopoulos et al. (2013), the high level of Employment Protection Legislation (EPL) mainly materialized through high levels of redundancy payments that were paid is compensated by the low social protection provided through unemployment benefits. However, despite the relatively high EPL index and the dominance of the breadwinner male model, many scholars recognize that the Greek youth labor market has been dominated by very flexible arrangements, violation of labor rights, and high precariousness and insecurity for young workers (Kretsos 2014: 38). The specific phenomena are directly linked to some basic features of the Greek economy such as the large unregulated informal sector, the high percentage of small firms, and the fragmentation characterizing the Greek labor market (Zamparloukou 2007; Gialis & Leontidou 2014). Seferiades (2003) argues that high levels of informal flexibility and relatively low labour costs, combined with high unemployment rates, provide little evidence for legitimizing the argument that the Greek labour market is in need of further flexibilization.

In terms of the ways that the Greek Welfare State has been conceptualized it is worth mentioning that Greece has been categorized in the Mediterranean welfare state type. The inadequate social support and the absence of any social protection for specific groups such as young unemployed people (without social contributions record) has prompted scholars (Gallie & Paugman 2000; Papadopoulos 2006) to categorize the Greek system as a sub-protective type of welfare regime with a highly exclusive character as far as unemployed youth are concerned. According to academic scholarship (Matsaganis et al. 2003; Pohl & Walther 2007), the welfare state arrangements in relation to the entitlements of Greek young people to state social protection classify Greece into the 'de facto no entitlement' welfare regime whereby young unemployed people are completely unprotected and primarily rely on family support. The Southern European welfare regime is also characterized by low expenditure on vocational training and education while activation policies, despite their recent emergence, have been limited.

### *The post-crisis context of labour market interventions for young people*

The Greek employment framework has been amended to such an extent that the pre-crisis protections provided to Greek workers either through collective agreements or labour law have been curtailed and in many cases just abolished (Koukiadaki & Kokkinou 2016). The new employment regime produced by the successive waves of labour market reforms has been translated into an extreme flexibilization of the labour market allowing businesses to overcome a series of institutional 'rigidities' that used to protect employees. More specifically, the dismantling of the pre-crisis employment model was triggered by a series of legislative acts whose common denominator was the creation of a very flexible landscape with the aim to reduce labour cost and boost economic growth. This new legislative frame-

work predicts certain provisions for young people with more characteristic among them the reduction of the minimum wage for this age group. So, the new law (Law 4046/2012), derived from the Memorandum 2, requires the general reduction of minimum wages by 22% for all and by 32% for all workers under 25 regardless of their occupation and sectoral agreement coverage (Ministry of Labour and Social Insurance 2012). The reduction of wages because of age characteristics (for those under 25) constituted a significant facet of the labour market interventions of the Greek governments and was justified on the basis that young people have less experience and are therefore less productive. In addition, a series of legal actions have overhauled basic features of the Greek employment landscape, triggering a significant deterioration of working peoples' rights. Specifically, with the first Memorandum there was an increase in the number of collective dismissals within one month (Article 74(1) Act 3863/2010), promotion of flexible employment contracts with the reduction of part-time pay (Act 3846/2010), extension of short-term and fixed-term work (Act 3846/2010 and Act 3986/2011), and derogation of the company level agreements from sectoral and collective (3845/2010). The conditions attached to the Second Memorandum in 2012 required unemployment benefits to be reduced by twenty two percent, while eligibility criteria were tightened and the duration of benefits reduced (European Commission 2012). Social protection measures, including minimum income guarantees and extension of benefits to long-term unemployed or new entrants to the labour market, were proposed but were stalled by limited financial resources (Adam & Papatheodorou 2015). Consequently, most young people remained excluded from social protection, while the role of the family in protecting its young members was undermined, with almost sixty percent of families 'struggling' as early as 2011. Legal scholars (Yannakourou & Tsimpoukis 2014: 340) have criticized such reforms for discriminating against young people's rights as specified in the European Social Charter. The Economic Affairs Commissioner

argued that EU law did not apply to the agreements signed between Greece and the Troika.

The main rationale behind such interventions was that the Greek youth labour market is rather rigid and inflexible causing external distortions to the ‘normal-market rate of pay’ and therefore the entrance of young people to the labour market is negatively affected. According to this argument, the high cost of dismissal has created a divided labour force (insiders-out-siders) whose interests are diametrically opposite as the insiders are privileged by the EPL while the outsiders are excluded from the labour market by it (Amable 2011). The solution suggested for the resolution of this problem is the implementation of labour market reforms such as reduction of minimum wages, flexible forms of employment and abolition and/or relaxation of the EPL. In addition to that the positive correlation between deregulation and competitiveness has been regarded as one of the justifying factors for reducing wages for young people and dismantling some of the rights and benefits assigned to them in previous years. In the Greek economic crisis context despite some opposition to that discourse there was a widespread agreement between political parties and social partners (mainly employers) that wage cost is rather high and labour market reforms are therefore necessary to reduce labour costs and boost growth (Papadopoulos 2016b: 8). The process of internal devaluation through a series of ‘labour market shocks’ could be the appropriate policy response to reengineer economic growth by closing the competitiveness gap created in the past through an unreasonable increase in wages. Even though this agenda has been portrayed as an outcome of the ‘tough line’ taken by the international lenders, it is undoubtedly the case that many aspects of the labour market reforms have been core elements of the proposals suggested by employers’ organizations (mainly SEV) long before the crisis (Papadopoulos 2016a: 504). In parallel, deregulating labour markets and reducing labour costs have been explicit integral parts of the EU policy particularly in the post-crisis period.

As depicted in the new EU framework wage developments which support competitiveness, changes in EPL and social protection cuts need to be implemented in all European countries regardless of their fiscal state and deficits. Within this framework all Greek governments implemented harsh austerity measures and labour market reforms despite their allegedly unwilling stance towards the latter. As demonstrated by the experience of the Syriza-Independent Greek government the EU strict rules in combination with the pressures exercised by the other international organizations-lenders left no space for abolishing or even mitigating some of the policies implemented under conservative governments. The example of youth employment policies is indicative of this trend as the current government failed to restore the pre-crisis industrial relations and employment model and maintained the legislative framework enacted with the First and Second Memoranda.

### *The impact of crisis and the reforms on young people*

The available data show that for a significant number of young people living standards and social well-being have been rapidly deteriorating since 2009 and until 2015 (Eurostat 2016). Between 2009 and 2013 the number of young people (age 15-29) at risk of poverty or social exclusion increased from 26.5% to 43.2% while for the same period severe material deprivation reached 26.9% from 12.3%. The above mentioned data make probably more sense if they are correlated with the substantial increase not only in unemployment rates but also in very precarious, temporary and unstable working patterns among young as well as older people. So, for instance the households where young people live with low work intensity raised from 6.4% in 2009 to 18% in 2013. Similarly, widespread phenomena of poverty and social deprivation are closely linked with the fact that for many young people unemployment becomes a more permanent state rather than just a temporary and transient

passage. The trends in long-term youth unemployment (15-29) exemplifies the above statement as for the 2009-2015 period long-term unemployment (12 months or longer) has increased from 6.4% to 26.6%. Furthermore, the qualitative change in youth unemployment is depicted by that fact that the youth unemployment ratio has increased from 9.8% in 2009 to 49.7% in 2015 demonstrating that young people represent a much higher portion of unemployed than they did before the crisis. Even though the rise in youth unemployment is running through all the different educational levels the available data show that unemployment for those with lower educational qualifications is higher. For instance, the unemployment level of those aged 20-29 with upper secondary and post-secondary non-tertiary education has skyrocketed reaching 40.6% in 2015 compared with 18.6% in 2009 (Eurostat 2016). In addition to that, since the eruption of the economic crisis the number of young people that are neither in employment nor in education or training (NEETs) has considerably increased especially for some age groups. More specifically, in 2015 1 out of 5 people of the 20-24 age group belonged to the NEETs category while the overall increase in NEETs among those aged 20-24 during the 2006-2015 period was 9.3% (Eurostat Education, employment, both or neither).

One element underlining the Greek labour market since the crisis is the significant rise in the number of temporary jobs and the subsequent decrease in full-time ones. As recent data show between February 2009 and February 2016 the number of people on full-time jobs has been reduced by 218.383 while the number of those on temporary contracts increased by 220.655 for the same period. Due to the labour market reforms and the introduction of sub-wages for young people through legislative acts (reduction by 32 of national minimum wage) many businesses tend to replace permanent and older workers with cheaper younger ones (*Hemerisia* 2016). Thus, contrary to the dominant discourse, Greek young people are facing a very negative employment and social landscape characterized either by extended periods of unemployment or fragmented, sporadic

and transient moves to and out of employment. In any case, the social indicators show that even when young people enter the labour market the probabilities of securing a well-paid and dis-sent job are close to zero while the traditional safety networks like family have weakened to such an extent that young people experience poverty, material deprivation and insecurity to a much greater extent than in the past.

Apart from the labour market reforms, the post-crisis successive governments have introduced and implemented active labour market measures to tackling youth unemployment by providing work experience to young people. However, there is ample evidence that these policies have failed to tackle youth unemployment mainly because their duration is rather limited while at the same time the participants receive very low wages and limited training. A case in point is the increasing use of voucher to provide some theoretical and practical training to young people with a view to help them get integrated into the labour market in dynamic fields of the Greek economy. A recent study (Papadopoulos & Bithymitris forthcoming) on the use of voucher programs in tourism has showed however that training opportunities even in dynamic service sector industries such as tourism rarely provide viable career paths for ‘the participants and do not contribute to quality job offers, at least not as long as the vocational culture reflects the sector’s predisposition towards flexible contracts and flexible skill-sets and mind-sets’. Other studies (Gialis et al. 2015: 4) have noted that active labour market policies, primarily in the form of training programmes introduced to combat unemployment, support the reproduction of ‘very atypical’ jobs and contribute to —rather than work against— insecurity.

### *Responses of unions to youth unemployment*

The offensive towards young people directed by a wave of youth labour market reforms such as the reduction of minimum wages for people under the age of 25, the extreme liberalization

of the Greek youth labour market through the introduction of very flexible forms of employment and the implementation of various low paid youth programs has generated a very precarious youth unemployment landscape that unions needed to respond to. Previous research (Kretsos 2011) has examined the ways that unions have responded to the very precarious employment conditions experienced by young people focusing on the effectiveness of certain initiatives and tactics to mobilize and organize young people. Our focus will be mainly placed on the ideological aspects of the trade union's interventions highlighting the diverse ways through which youth unemployment crisis has been approached by different sections of the labour movement. Our objective is to unveil how the ideological and strategic orientations of GSEE and PAME affect the ways that they comprehend and respond to the youth unemployment crisis and the dramatic overhaul of the labour market regulations and social protection provisions.

The GSEE has responded to the above youth employment reforms by adopting an anti-neoliberal position according to which the severe deterioration of young peoples' employment and social rights is the outcome of youth neo-liberal policies promoted at both European and domestic levels (GSEE, 2014). In the post-crisis period, the GSEE (2016) has reiterated its opposition to supply-side discourses highlighting the fact that the supply-side orientation of the governments' proposals and employers' positions are unrealistic, ideologically biased and counterproductive as they ignore the reality of the Greek youth labour market. For the GSEE the problem of youth unemployment lies in the demand-side of the labour market, and therefore, demand-side measures and policies are needed for tackling youth unemployment.

'Youth employment growth can only kick off if austerity and neo-liberal policies end. Competitiveness should rely on innovation, investments in new technologies and human capital and not on low wages and deregulation as is currently the case' (Scientific Advisor of the Labour Institute (INE) of the General Confederation of Greek Workers).

The GSEE has also opposed the reduction of minimum wages for young people introduced by the legislation act of the Memorandum Agreements, claiming that the specific legislation constitutes a discrimination against them and a violation of the fourth article of the Constitution according to which all Greek people have the same rights (GSEE 2012c: 8). In a petition to the Ministry of Labour and Social Protection, the GSEE condemned this legislative action and denounced a specific clause according to which, all young people (regardless of their employment status and sectoral agreement coverage) are to be equally affected by it. The GSEE has also submitted an official request to the Council of the State asking for the abolition of the legislative act through which the reduction of the minimum wages and the individualization of the employment contracts are promoted.

The GSEE has taken initiatives for social dialogue with employers in the direction of reinstating minimum wage setting and signing a new collective agreement (To Vima 2012). However, these actions have not been particularly successful since the pre-crisis minimum wages have not been retrieved while further deterioration of young peoples' rights has been observed due the introduction of the labour market reforms and the launch of very low paid, short-term and precarious employment programs. In addition, and more crucially, in 2013 the GSEE signed the National Collective Agreement with the other employers' associations that accepts the current reduced by 32 percent minimum wage levels for those under 25 years old specified by the Memorandum Agreements.

On the other hand, the PAME attributes the crisis to the internal contradictions of the capitalist system and rejects that a better management of the economy or a boost in the competitiveness can serve young workers' interests. For that reason, the measures taken—and accepted by the GSEE—for reducing unemployment such as employment programmes and retaining jobs (wage moderation, internal flexibility) through consensus mechanisms have been considered by the PAME to be selling

off workers' rights aiming at reducing the price of labour power and depriving them of fundamental employment and social rights (PAME 2014a).

The PAME has also denounced the reduction of minimum wages as a deliberate capitalist strategy that aims to increase capital profitability by squeezing the employment and social rights of young people and severely discriminating against them. According to PAME, the wages for young workers are expected to be further reduced as the new legislation authorizes businesses to legally reduce minimum wages and skip sectoral and national agreements (PAME 2012d). Furthermore, for PAME the severe deterioration of employment and social rights and the reduction of young workers' wages under poverty will lead to a severe drop in wages for all working people.

In relation to the youth employment programs implemented both in the pre and post crisis periods, the GSEE adopted a critical acceptance claiming that the lack of evaluation of the Active Labour Market Policies and the frequent violation of young people' employment rights observed during the operation of those programs needed to be addressed. The official strategy of the GSEE was that employment and training programs, if properly designed, targeted and implemented, can enhance the employment prospects of young people and contribute to reducing the unemployment rates.

'I am not against these programmes as long as they are very targeted and specific. But there was never any evaluation of those programmes in order to assess their effectiveness in creating jobs for young people' (Director of Institute of Labor of the General Confederation of Greek Workers).

The absence of any connection between different policies (investment and research policies with employment policies), was another criticism directed to the dominant youth employment policy paradigm. As an executive member of the GSEE secretariat commended 'training and learning programs for young people should be integrated with the growth model and

the needs of society and economy'. The same respondent, reflecting the enduring stance of the Confederation regarding the economic-social foundations of such a model, stated that tackling youth unemployment presumes the beginning of a democratically organized social dialogue among all the productive and social forces, including employers. In the post-crisis the GSEE insists that active youth employment programs can help integrate young people into the labour market while it critically accepts the very controversial training voucher scheme claiming that social clauses and criteria can eliminate the inherent tendency of those programs to downgrade young people's wages and employment rights.

'It is easy to reject everything, but you should be as realistic as possible. We are in favour of policies, if they create new jobs and help young people to enter the labour market. What we fear is that there is no control system and some businesses use these programmes to increase their profits' (Institute of Labor of the General Confederation of Greek Workers).

Therefore, the active participation of the GSEE in various active labour market programs and the consensus-based discourse produced by the union with regards to those programs continues to characterise the stance of the union in the post-crisis period despite the emergence of some radical rhetoric.

For PAME, on the other hand, the active labour market policies have not helped young workers to acquire experience but rather they have acted as a means for exploiting them and replacing regular staff with free youth labour favoring in that way the large corporations (Rizospastis 2013). More specifically, the PAME has criticized the Greek governments for using active labour market policies as a means for reducing the labour cost and offering employers' cheap labour without any employment or social rights. In 2013, the PAME participated in a mobilization organized against the National Action Plan for Youth Unemployment accusing the governments for attacking young people's right to stable jobs (PAME 2013a).

‘The National Action Plan on ‘Employment’, announced by the government, is a bomb in working relations, wages and collective agreements. They want to persistently beat the lower salary regardless the already degrading reduction that exists today, to suppress the young people even more. They want to destroy the collective agreements’ (member of the Secretariat of Youth of All-Workers Militant Front, PAME).

The PAME has also attacked the GSEE official strategy as according to PAME’s representatives although GSEE condemns the terms and conditions of those programs it doesn’t reject their fundamental logic, leaving their exploitative nature unchallenged (PAME 2013b). The stance of PAME is directly linked to the Marxist roots of its programmatic foundations and strategic orientation according to which youth unemployment is the result of the capitalist system and its resolution can only be achieved through the organizing of young people with the aim the overthrow of capitalism. As stated by the PAME in an official document on the need for the participation of young people to strike actions ‘the life and the movement of a trade union, must care for the class orientated consciousness of young workers and unemployed ones. A trade union should work to enforce on the consciousness of every young person the sparkle of organized reply to every workplace against the entire bourgeoisie class and its domination’. In that respect youth unemployment is understood as an outcome of a (capitalist) system that produces and reproduces unemployment due to its destructive and crisis-driven nature while it (capitalism) uses labour market reforms and youth employment programs as a vehicle to reduce labour cost and provide cheap labour to employers.

One important question that needs to be addressed is how unions explain youth unemployment and unemployment in general. This question brings us to another set of questions related to the origin of the crisis and the suggested policies-measures to overcome it. For the GSEE youth unemployment is the result of a specific model of economic management, that of neoliberalism, which destabilizes the employment relationship,

deregulates the labour market and dismantles the wage settings mechanisms through wages and working conditions used to be regulated at least since the second world war. This liberalization of the economy manifested in many countries including Greece, coupled with asymmetries factored within the Eurozone in favour of some countries and at the expense of others. The debt crisis is then perceived as the outcome of those asymmetries since Greece was one of the losers of the uneven balance accounts that were shaped between EU countries due to gaps in competitiveness and the inability of some countries to increase competitiveness through currency devaluation. Within this narrative labour market reforms and liberalization measures targeting young people are being perceived by the GSEE as a deliberate policy informed by an ideological bias towards deregulation that ignores the realities of the Greek economy and is therefore rather counterproductive in generating economic growth. In this way for GSEE youth unemployment is the outcome of failed neoliberal policies that underestimate the positive weight that institutions and high wages could have for triggering economic growth.

What needs to be addressed, according to the GSEE, is the need of the Greek economy for innovation, productive restructuring and skill formation (GSEE 2015). The latter can enhance productivity and offset any negativities produced by increased wages and centralized wage settings processes. Since the crisis, the GSEE has recognized though the need to negotiate wage concessions or even reductions accepting the narrative that defensive strategies for negotiating workers' conditions and rights is the only way forward. In a sense GSEE accepts elements of the dominant discourse that Greek economy suffers from a competitiveness gap whose treatment is paramount to any exit from the predicaments currently facing an increasing number of working people and mostly felt by young people. So, although GSEE parts ways with the neoliberal ideology, and in fact quite often criticizes it, it is also the case that it legitimizes aspects of the current narrative by associating

economic growth with the improvement of working conditions without problematizing the nature of the capitalist economy and its tendency to deteriorate employee's rights as means for overcoming the crisis and re-establishing high profitability levels. So, the change of economic and productive model is a prerequisite to build a social system that reconciles the interest of capital and labour in a mutually beneficial way that could help young people to find good jobs avoiding the contradictions inherent in more neo-liberal versions (GSEE, 2016). The insistence on the ideological obsessions of political and economic elites together with the absence of reference to endogenous and structural factors that relate to the class nature of the employment relationship demonstrate the supremacy of economic and social integration goals over class or transformative discourses that move beyond the current capitalist system. Thus, the GSEE perceives the current crisis as an episode of mismanagement or as a break of a social contract whose origin is lying on political failures and businesses' greedy behaviours. The generation of a stable fiscal and macroeconomic environment together with increases in domestic demand through productive restructuring in favour of certain sectors are seen by GSEE as necessary ingredients for tackling the crisis and the high unemployment rates (GSEE 2016).

On the other hand, the PAME offers an entirely different reading of the economic crisis arguing that the latter is the result of the internal contradictions and crisis-driven nature of the capitalist system manifested in overaccumulation and overproduction crises. The latter result in the destruction of the productive forces (capital and labour power) and high unemployment rates that can be only overcome by a new stage of capital accumulation based on reduced wages and benefits for working people. According to this narrative the austerity measures specified through the Memoranda agreements is the means through which the capitalist class endeavor to solve the crisis by decreasing the price of labour power and the social benefits enjoyed by workers when the capitalist economy was in upsurge.

So, austerity measures are not seen by PAME as the trigger of the crisis but rather as a way utilized by the capitalist states to increase the competitiveness of their economies by reducing the price of the labour power and dismantling all the hard-won social and employment rights (PAME 2017a) Therefore, for PAME the Greek labour movement should reject the strategy of class collaboration promoted by GSEE and adopt a class conflict strategy oriented towards politicizing working people's struggles with the goal to overthrow the capitalist system. Due to the belief that the economic growth will be based on workers' reduced wages and benefits in many occasions PAME has pointed out that any economic growth will not be accompanied by better wages and working conditions as the latter need to be sacrificed for the arrival of that growth (PAME 2017b). Subsequently, PAME contends that Greece should write off its debt, exit the European Union and euro and nationalize key sectors of its economy. The stance of PAME is directly linked to the radical-Marxist roots of its programmatic foundations and strategic orientation which perceive youth unemployment as the result of the capitalist system and thus its resolution can only be achieved through the organizing of young people with the aim to overthrow capitalism. As stated by the PAME in an official document on the need for the participation of young people to strike actions 'the life and the movements of a trade union, must care for the class orientated consciousness of young workers and unemployed ones. A trade union should work to enforce on the consciousness of every young person the sparkle of organized reply to every workplace against the entire bourgeoisie class and its domination'.

A battle has also erupted between PAME and GSEE concerning the stance of the movement towards the state and the employers. The PAME openly accuses GSEE for betrayal of working class people including young people due to the continuing reliance on social dialogue mechanisms to 'protect workers'. PAME often cites the signature of the national collective agreement by GSEE in 2014 through which the reduced

minimum wages were accepted. The GSEE argued that this move was made to protect the institution of collective agreements and the family benefits that many employees rely upon. At the same time the GSEE criticizes PAME for maximalist and unrealistic proposals that cannot be materialized within the constraints imposed by the current very unfavorable economic and political system. For PAME on the other hand working class people should fight for retrieving the pre-crisis losses demanding the fulfilment of their needs. These different ideological stances seem to be the determinants for comprehending the different ways through which GSEE and PAME have attempted to forward their demands in relation to youth unemployment. For instance, the youth secretariat of GSEE has not been active in organizing young people since their main activity has concentrated on meetings with either leaders (meeting with Merkel) or with communication with Ministries to express their discomfort with the policies for young people (PAME 2014b). On other hand PAME has been rather active in mobilizing young people (either employed or unemployed) at the same time condemning the GSEE youth secretariat for not organizing young people and making false promises to young people that their problems will be solved through social dialogue with the state and the employers.

Undoubtedly, the stance of GSEE and PAME is just an example of a division within the labour movement that existed even from the very beginning of trade unionism and took a more specific form at the start of the 20th when anti-capitalist forces became much stronger. The manifestation of this divide in the Greek case becomes clearer when we examine the ways that GSEE and PAME comprehend the social reality and envisage an imagined one. For instance, in a letter on the state of the Greek movement the secretary of the Confederation stresses the need for a more vibrant and dynamic movement that organizes working people and aims to protect its rights. More crucially the letter recognizes that GSEE is the organization in charge of protecting the employment rights and wages of working peo-

ple and it should not be undertaken tasks and duties falling under the radar of political parties. The 'economism' of GSSE position is rather evident in that instance since unions are perceived as economic actors whose duty is to advance the interests of their members. The rather moderate and defensive tactic of compromise taken by GSSE and manifested in wage cuts concessions has been rather disproportionate to the drastic deterioration of workers' rights due to governments' policies and employer's, practices. In addition to that the demand-side Keynesian-type policies proposed by GSSE are signals that the majority in the Confederation still believes that societal problems like youth unemployment are the results of ill-designed policies of neoliberal inception that dried economies and favored certain classes. For that reason, the GSSE supports the view that economic growth and competitiveness are the central pillars for tackling youth unemployment crisis if policies start being oriented towards more growth-friendly fiscal policies. Therefore, the GSSE reading of the crisis is distant from anti-capitalist ideas and movements for which inherent tendencies of the capitalist system including the over-accumulation of capital trigger the destruction of productive powers like human labour causing high unemployment rates. In addition to that and more crucially the above-mentioned position is accompanied by an explicit acceptance that social dialogue and collaboration continue to be the main pillars upon which the labour movement should rely to advance the rights of Greek working class people.

On the other hand, for PAME unions need to combine political and economic battles unmasking the actual workings of the capitalist system and the inadequacy of pure economic battles to advance the position of workers given that within capitalism workers can only reduce the rate of exploitation but not abolish it. For that reason, PAME calls on the working-class people to demand a retrieving of the working conditions and wages that they used to receive before the crisis. Asking for better wages and working conditions in a rather militant way but within an anti-capitalist platform underpinned by clear references to the

class nature of this society and the need for a new socialist society where the productive forces will be under the workers' ownership and control. The PAME very active stance on organizing campaigns and other initiatives with the aim to retrieve the pre-crisis employment framework and employers anti-labour strategies is in clear contract with the GSEE strategy (Bithymitris 2015). PAME has insisted on the need to organize labour battles with a focus on restoring the collective bargaining framework and the minimum wage levels that existed before their significance reduction in 2012 (PAME 2016). Contrary to the very defensive position taken by GSEE, PAME has refused to accept the dominant narrative that working class people should wish or expect the economy recovery so that some of their losses can be compensated since that the very nature of that recovery is conditioned on the dismantling of working class rights and wages (PAME 2016).

### *Conclusions*

The article presented an overview of the economic crisis and youth unemployment in Greece with a focus on identifying the changes in the legislative level enacted with the introduction of the two Memoranda. In addition to that the article presented some up-to-dated data regarding the experiences of young people since the crisis and the specific ways through which labour market reforms influence the social and employment conditions of young people. It is evident that young people can be fairly considered as one of the age groups that has been hard hit by the crisis and the policies of internal devaluation as in the last seven years all the social and employment indicators for young people have been steadily deteriorating. The prevalence of very flexible employment contracts in combination with the rise in poverty levels and inactivity signify a new youth employment landscape whose main dimensions such as flexibility, low pay and temporariness serve the interests of employers but seriously

undermine the needs and interests of young people. For that reason, the conditions experienced by young people remind us that the divide between capital-labour is still relevant to analyze the content and direction of policies especially in a recessionary and unstable period. Thus, the generation of growth has been relied, as it seems, on a constant dismantling of established social and employment rights while the discussion on the qualitative aspects of that growth such as pay levels, employment rights, social protection has been constantly losing ground. The illustration of youth employment figures shows however that any serious engagement with the topic of youth unemployment in Greece needs to be firmly based on a discussion of whether young people's needs for full-time and well-paid jobs can be served by a market economy that is guided by profit-making concerns. From our analysis, it becomes rather clear that the need for overcoming the crisis and boosting competitiveness are explicitly linked, in both policy and discourse levels, with the need to make young employees more flexible, adaptable and cheap. Thus, our initial assumption that the inherent contradictions of capitalist system can be hardly overcome have been supported by the evidence presented in this article. Our analysis also identified how trade unions have responded to youth unemployment crisis and found that within the Greek labour movement there are two main tendencies whose ideological and political orientations are evidently in conflict. In the preceding analysis, we showed that the different conceptualization of youth unemployment as well as the diverse policy proposals for its resolution are associated with the diverse strategic and ideological orientations of the two main trends expressed in GSEE and PAME. Their conflict over youth unemployment stems from the old but not old-fashioned division between social-democratic and socialist strategies and their different views on whether labour market problems such as youth unemployment can be resolved within the existing socio-economic system.

## References

- Adam, S. & C. Papatheodorou (2015). 'Dismantling the feeble social protection system of Greece: Consequences of the crisis and austerity measures', in K. Schubert, P.D. Villota & J. Kuhlmann (eds), *Challenges to the European Welfare Systems*. New York: Springer.
- Amable, B. (2011). 'Morals and Politics in the Ideology of Neo-Liberalism', *Socio-Economic Review* 9(1): 3-30.
- Bithymitris, G. (2016). 'Union militancy during economic hardship: The strike at the Greek steel company "Hellenic Halyvourgia"', *Employee relations*, 38(3): 373-389.
- Dedoussopoulos, A., V. Aranitou, F. Koutentakis & M. Maropoulou (2013). 'Assessing the impact of memoranda on the Greek labour market and labour relations', ILO Governance Working Paper 53. Geneva: ILO.
- Dietrich, H. (2013). 'Youth unemployment in the period 2001-2010 and the European crisis: Looking at the empirical evidence', *Transfer: European Review of Labour and Research* 19(3): 305-324.
- European Commission (2012). 'The Second Economic Adjustment Programme for Greece', March. *European Economy Occasional Papers 94*. Brussels: European Commission.
- Eurostat (2012). 'Unemployment statistics', news release euro-indicators, 155/2012-31 October 2012. 1 November, [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-31102012-BP/EN/3-31102012-BP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31102012-BP/EN/3-31102012-BP-EN.PDF). [accessed 10/08/2016].
- Eurostat (2015). *Being Young in European today*. Luxembourg: Publications Office of the European Union.
- Eurostat (2016). 'Database population and social conditions: Youth'. <http://ec.europa.eu/eurostat/web/youth/data/database> [accessed 10/10/2016].
- Gallie, D. & S. Paugam (2000). *Welfare Programmes and the Experience of Unemployment in Europe*. Oxford: Oxford University Press.
- Gialis, S. & L. Leontidou (2014). 'Antinomies of flexibilization and atypical employment in Mediterranean Europe: Greek, Italian

- and Spanish regions during the crisis', *European Urban and Regional Studies*. E-pub ahead of print August 2014 DOI: 10.1177/0969776414538983.
- GSEE (2012a). *Annual Report 2012: The Greek economy and employment* [Ετήσια Έκθεση 2012: Η ελληνική οικονομία και η απασχόληση], Athens, INE/GSEE-ADEDY.
- GSEE (2012b). 'Statement by the President of GSEE after the Social Dialogue' [Δήλωση του Προέδρου της ΓΣΕΕ μετά τη συνάντηση με τους εργοδοτικούς φορείς].
- GSEE (2012c). 'Circular, n. 1. To labour federations and labour centres controlled by GSEE'.
- GSEE (2014). 'GSEE to Angela Merkel: "We lose the most important human capital of our country because of your destructive policies". [Χάνουμε το πιο σημαντικό ανθρώπινο κεφάλαιο της χώρας από τις καταστροφικές πολιτικές σας'].
- GSEE (2015). *Annual Report 2015: The Greek economy and employment* [Ετήσια Έκθεση 2015: Η ελληνική οικονομία και η απασχόληση], Athens, INE/GSEE-ADEDY.
- GSEE (2016). *Annual Report 2016: The Greek economy and employment* [Ετήσια Έκθεση 2016: Η ελληνική οικονομία και η απασχόληση], Athens, INE/GSEE-ADEDY.
- Guardian (2016). 'UK workers on zero-hours contracts rise above 800,000'. <https://www.theguardian.com/uk-news/2016/mar/09/uk-workers-on-zero-hours-contracts-rises-above-800000>.
- Hemerisia (2016). 'Unemployment has risen at 23,2%. They fire the "old guard" for young people with lower pay' [Στο 23,2% η ανεργία - Απολύουν την «παλιά φρουρά» για νέους με χαμηλότερο μισθό]. <http://www.imerisia.gr/article.asp?catid=26516&subid=2&pubid=114178935> [accessed 01/10/2016].
- iefimerida (2016). 'Δημοσκόπηση: Απογοητευμένοι και οργισμένοι 8 στους 10 Έλληνες' <http://www.iefimerida.gr/news/289953/dimoskopisi-apogoitymenoi-kai-orgismenoi-8-stoys-10-ellines>
- Kretsos, L. (2014). 'Youth policy in austerity Europe: the case of Greece', *International Journal of Adolescence and Youth* 19(1): 35-47.
- Koukiadaki, A., & C. Kokkinou (2016). 'Deconstructing the Greek system of industrial relations' *European Journal of Industrial Relations*, 22(3): 205-219.

- Matsaganis, M., M. Ferrera, L. Capucha & L. Moreno (2003). 'Mending Nets in the South: Anti-poverty Policies in Greece, Italy, Portugal and Spain', *Social Policy & Administration* 37 (6): 639-55.
- Ministry of Labour and Social Insurance. (2012). 'Circular no. 4601/304/12-3-2012 for the implementation of paragraph no. 6 of article no. 1 of law 4046/2012' [Εγκύκλιος αριθ. 4601/304/12-3-2012, για την εφαρμογή της παρ. 6 του άρθρου 1 του Ν. 4046/2012], Hellenic Democracy.
- PAME (2012a). 'Down with the dictatorship of the monopolies', *Workers Counterattack*, 3, March.
- PAME (2012b). 'No more sacrifices for the plutocracy' ['Όχι άλλες θυσίες για την πλουτοκρατία'].
- PAME (2012c). 'Intervention of the All Workers' Militant Front (PAME), on behalf of the European Office, at the 2nd Youth Conference of the WFTU'.
- PAME (2012d). 'All new employees in 511 euros gross' ['Όλοι οι νέοι εργαζόμενοι στα 511 ευρώ μεικτά'].
- PAME (2013a). 'Struggle against the Action Plan for the exploitation of young people. Στηρίζουμε την κινητοποίηση του ΜΑΣ στις 24 Γενάρη 14.00 μ.μ. We support the mobilization of the ΜΑΣ in January 24 14:00 στα Προπύλαια Propylaea' ['Αγώνας κόντρα στο Σχέδιο Δράσης για την υπερεκμετάλλευση των νέων. Στηρίζουμε την κινητοποίηση του ΜΑΣ στις 24 Γενάρη 14.00 μ.μ. στα Προπύλαια'].
- PAME (2013b). 'For the voucher program entrance to the labour market' ['Για το πρόγραμμα «Επιταγή Εισόδου στην αγορά εργασίας'].
- PAME (2014a). 'Commentary on the GSEE meeting with the government on the occasion of the meeting of the government employment council' ['Σχόλιο για τη συνάντηση της ΓΣΕΕ με την κυβέρνηση, με αφορμή τη συνεδρίαση του κυβερνητικού συμβουλίου απασχόλησης'].
- PAME (2014b). 'Commentary from the Youth Secretariat on the occasion of the meeting of new European trade unionists with Merkel'.
- PAME (2016). 'PAME recommendations for collective agreements' ['Εισήγηση στην ημερίδα του ΠΑΜΕ για τις συλλογικές συμβάσεις εργασίας'].

- PAME (2017a). 'We will not be spectators in our misery. All at the February 21 rally at 6.30 pm in Omonia' ['Δε θα γίνουμε θεατές στην εξαθλίωσή μας. Όλοι στο Συλλαλητήριο 21 Φλεβάρη στις 6.30 το απόγευμα στην Ομόνοια'].
- PAME (2017b). 'All in the general strike on the 17th of May' ['Όλοι στη γενική απεργία στις 17 Μαΐου'].
- Papadopoulos, T. (2006). 'Support for the Unemployed in a Familistic Welfare Regime' in M. Petmesidou & E. Mossialos (eds), *Social Policy Developments in Greece*. Aldershot: Ashgate.
- Papadopoulos, O. (2016a). 'Youth unemployment discourses in Greece and Ireland before and during the economic crisis: Moving from divergence to "contingent convergence"', *Economic and Industrial Democracy*, 37: 493-515.
- Papadopoulos, O. (2016b). 'Economic crisis and youth unemployment: Comparing Greece and Ireland', *European Journal of Industrial Relations*: 0959680116632326.
- Papadopoulos, O. & G. Bithymitris (forthcoming). 'Vocational habitus in liminal contexts: The case of training vouchers in the Greek tourism sector'.
- Pohl, A. & A. Walther (2007). 'Activating the disadvantaged. Variations in addressing youth transitions across Europe', *International Journal of Lifelong Education* 26: 533-553.
- Rizospastis. (2013). 'For programs targeting unemployed young people' ['Για τα προγράμματα που απευθύνονται σε άνεργους νέους']. <http://www.rizospastis.gr/story.do?id=7744256>
- Scarpetta, S., A. Sonnet & T. Manfredi (2010). 'Rising youth unemployment during the crisis', *OECD social, employment and migration working papers*, Paris: OECD.
- Seferiades, S. (2003). 'The European employment strategy against a Greek benchmark: A critique', *European Journal of Industrial Relations* 9(2): 189-203.
- Thetoc.gr (2016). 'Dijsselbloem: This is why I admire Alexis Tsipras' ['Ντάισελμπλουμ: Να γιατί θαυμάζω τον Αλέξη Τσίπρα']. <http://www.thetoc.gr/politiki/article/ntaiselmploum-na-giati-thaumazw-ton-aleksi-tsipra>
- Yannakourou, M. & C. Tsimpoukis (2014). 'Flexibility without security and deconstruction of collective bargaining: The new para-

digm of labor law in Greece', *Comparative Labor Law & Policy Journal* 35(3): 331-370.

Zambarloukou, S. (2007). 'Is There a South European Pattern of Post-Industrial Employment?', *South European Society and Politics* 12(4): 425-442.