

Brussels, **31. 03. 2017**  
Ares(2017)

Dear Chairman.  
Dear Roberto.

In the context of the third economic programme for Greece, the Greek authorities have committed to introduce significant reforms of the labour market institutions and wage bargaining systems. These reforms will respond to the need to balance flexibility and fairness for employees and employers, taking account of the very high level of unemployment and the need to pursue sustainable and inclusive growth and social justice.

The European Commission strongly supported the setting-up of an Expert Group whose mission was to review the existing labour market frameworks. The Group was to take into account best practices internationally and in Europe, and to make recommendations that would inform the subsequent discussions to be undertaken by the Greek authorities with the institutions in the framework of the Memorandum of Understanding accompanying the European Stability Mechanism (ESM) programme.

The Commission has highly appreciated the work carried out by the Expert Group, which was based on the results of a thorough consultation process that involved Greek authorities, social partners and international institutions such as the ILO. The recommendations and findings of the expert group were published in September 2016, and are thus publicly available. The experts gave twelve recommendations related to collective bargaining, collective dismissals, industrial action and minimum wage setting. Four out of these twelve recommendations were split, reflecting the lack of consensus within the group. These were related to minimum wage setting and collective bargaining.

Moreover, I would like to point out that the Commission has very closely followed the work of the Expert Group since its launch, in full respect of the Group's independence. Members of Commission staff, together with representatives of the Greek Government, the ECB and the IMF have participated in all meetings of the Expert Group with a status of observers.

Since their publication, the recommendations of the Expert Group have served as the starting point for discussions on possible labour market reforms in the context of the ESM's stability support programme for Greece. Their contribution has been significant in helping to secure that policies will ensure full compliance with the EU acquis, but also in identifying European best practices albeit we know there is no one-size-fits-all form.

*Mr. Roberto Gualtieri*  
*The Chairman of the ECON Committee*  
*European Parliament*  
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In concrete terms, the Commission has in general accepted the recommendations made by the Group of Experts when these were unanimous, and were sufficiently well specified – given that in some instances the report provided general orientations but did not elaborate concrete recommendations. Ultimately, however, it is for the Greek authorities to decide on policy actions and their implementation. It should also be recalled that discussions on the policy conditionality also involve other institutions, including the IMF, in context of a request by the ESM members for the IMF to come on board with a new financing programme.

These issues remain part of the ongoing deliberations related to the second review of the ESM stability support programme. I continue to believe that it is in everyone's interest, and Greece's most of all, to conclude this review quickly. And that we should do so in a way that respects the commitments undertaken by all sides at the start of this programme. The Commission is certainly playing its role as a constructive negotiator.

Yours sincerely,



Marianne Thyssen



Pierre Moscovici