



Industrial relations and social dialogue
**Greece: Institutions, policies and
practices for enforcing minimum
wage compliance**

[Minimum wages: Non-compliance and
enforcement across EU Member States](#)
[Comparative report](#)

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Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

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1. Legal framework and minimum wage enforcement institutions

Regulation of minimum wage enforcement

<p>LEGAL/REGULATORY FRAMEWORK</p>	<p>The minimum wage is set, following a broad consultation process between the social partners and other relevant bodies, by the Minister of Labour with the assent of the Council of Ministers (Law 4172/2013 Article 103) and applies to all salaried employees.</p> <p>The Labour Inspectorate SEPE was established in 1999 as a special Secretariat directly subordinate to the Minister of Labour, and the legislative framework of operation was defined by Law 3996/2011. Law 4808/2021 (of July 2021) separated the SEPE from the supervision of the Ministry of Labour and renamed it as “Independent Labour Inspection Authority”.</p> <p>Recent reforms with a possible effect on minimum wage enforcement, although not directly related to minimum wage:</p> <ul style="list-style-type: none"> • In 2021 Law 4808/2021, removing SEPE from the political supervision, control, and responsibility of the Ministry of Labour and making it an Independent Authority. • In 2019, Ministerial Decision 60201/D7.14422/2019 introducing a “classification of violations and recalculation/reduction of the amount of fines” imposed on infringing undertakings by Labour Inspectors. • In 2016, Ministerial Decision 34331/Δ9.8920/2016 introducing the “Simplification of procedures for the Labour Inspectorate (SEPE) through the Integrated Information System of the SEPE.”
<p>SPECIFIC REGULATIONS</p>	<p>There are no specific provisions and regulations on the obligation to apply the minimum wage depending on the sector, region, or particular occupational categories of workers.</p> <p>However, the relevant SEPE department or the Director can decide to carry out targeted inspections for sectors with high delinquency (e.g., undeclared work).</p>
<p>DISPUTE RESOLUTION MECHANISMS</p>	<p>Art. 122 of Law 4808/2021 provides that workers individually or the trade union may lodge a complaint and appeal to the Labour Inspectorate for non-compliance with the application of the minimum wage in the more general context of the legally prescribed procedure concerning the “resolution of labour disputes”. Upon completion of the hearing, a record is drawn up and signed by the parties and the inspector, who must issue a report within one week. If the report finds labour law violations, the Inspector imposes administrative penalties (fines). If the labour law violations constitute criminal offences, the Labour Relations Inspector lodges a criminal complaint to the competent public prosecutor.</p> <p>As regards the protection of workers from adverse treatment in the event that they lodge a complaint, under the law, the SEPE is obliged to examine any complaint relating to labour law violations submitted to it in any way whatsoever. The SEPE keeps the information and sources from which the complaints were brought to its attention confidential.</p>

Enforcement institutions and coordination system in place

<p>ENFORCEMENT INSTITUTIONS</p>	<p>The primary responsibility for enforcing labour law (including the employers’ obligation to apply the minimum wage) lies with the Labour Inspectorate SEPE.</p>
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	<p>The SEPE is responsible for investigating the labour legislation and undeclared work. At the same time, it provides information and advice and operates in a preventive and conciliatory manner, covering the whole of Greece through its network of regional bureaus.</p> <p>The Social Security Entity (EFKA) is responsible for monitoring compliance with insurance legislation and is, therefore, indirectly involved as a control mechanism, with the employers' compliance with minimum wage legislation.</p> <p>Labour disputes (individual and collective) and disputes concerning employers' non-compliance with minimum wage legislation are tried by the ordinary courts hearing civil disputes.</p> <p>The law provides the possibility to perform joint inspection from three different departments (Labour Inspectorate, EFKA, and Ministry of Finance).</p>
INTERNAL ORGANISATION	<p>The SEPE today has 80 Departments of Labour Relations Inspection (of which 69 local departments and 11 coordination departments) and 42 Departments of Occupational Safety and Health Inspection, which belong to Regional Directorates for Inspection of Labour Relations and Safety and Health at Work.</p> <p>EFKA has set up "Regional Controlling Centres" (PEKA) to carry out on-site and substantive inspections to combat social contribution evasion by employers.</p> <p>The on-site check is performed by the competent inspectors of the PEKA and the substantive check concerns the data entered by employers in the "ERGANI Information System."</p>
COORDINATION	<p>In the case of the mixed inspection teams from the Labour Inspectorate, the EFKA and the Ministry of Finance, the inspections are organised on a monthly or on a quarterly basis.</p>
MONITORING AND DATA COLLECTION SYSTEM	<p>There is no such system. Every year, the Labour Inspectorate publishes a general activity report, in which it presents various figures such as accidents at work, number of inspections to companies at sectoral and local level, number of disputes that have taken place etc. There is no specification on figures relating to the enforcement of minimum wage.</p>

Resources and capacity of control/enforcement institutions in charge of MW compliance

FINANCIAL RESOURCES	<p>2019: € 22,696,000.</p> <p>Financial resources increased between 2014-2019 by + 13%, still considered partially adequate</p> <p>No data is available on resources specifically devoted to activities dealing with MW.</p>
HUMAN RESOURCES	<p>The number of the SEPE employees in 2022 was 769; of them 401 were general labour relations inspectors and 253 health and safety inspectors.</p> <p>No data available for staff involved in MW enforcement activities.</p> <p>Staff increased between 2014-2022 by +8%. Still considered only partially adequate.</p>

2. Enforcement measures

BALANCE BETWEEN DETERRENCE AND PREVENTIVE MEASURES	<p>Deterrence measures (penalties, fines) largely take precedence over preventive measures (information, persuasion of undertakings), which are minimal.</p> <p>Overall, the enforcement of labour laws is considered to be effective.</p> <p>According to employers' organisations, more attention should be paid to preventive measures, while trade unions believe that fines and sanctions should be used more for them to function as a real deterrent.</p> <p>As far as precautionary measures are concerned, all digital applications and tools have greatly contributed to reducing bureaucracy, increasing transparency, and better enforcing labour law. Among the negative points could be the lack of full access of the national social partners to ERGANI data, the need to introduce incentives for compliant companies, the strengthening of information and awareness activities.</p>
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Deterrence measures

TYPE OF MEASURE AND CHANGE IN USE IN THE LAST DECADE	<p>Stable use of: Routine and targeted inspections, spot checks, inspections by request, follow-up of previous offenders, data matching and sharing, peer-to-peer surveillance, supply chain responsibility, sanctions.</p> <p>Blacklists and name and shame: the process of creating a Register of Infractions for undeclared work has begun and it is expected to be operational in 2022. In addition, a partial register of offenders is kept for the security and cleaning sectors, with those on the register being excluded from public sector competitions/announcements.</p>
INSPECTIONS AND VIOLATIONS	<p>The number of SEPE inspections over the last decade has remained generally stable. Between 2014 and 2017 number of inspections (not specifically related to MW) went from 34,578 in 2014 to 31,570 in 2017. According to social partners, the number of inspections on MW and employment contracts decreased during the pandemic, as the government focused primarily on checks on compliance with health and safety measures to limit the spread of the coronavirus.</p> <p>SEPE uses the risk analysis method and takes into account the previous behaviour of employers when planning inspections.</p> <p>Data on violations of MW regulations not available.</p>
SANCTIONS	<p>Non-compliance with minimum wage legislation is classified as a severe infringement and is punishable with fines going from of 1,800 to 8,000 Euros, which is increased if the undertaking is a repeat offender. In addition to the general fine, the amount of the fine for the non-payment of any accrued salary, including the pay of employees earning the minimum wage, has been set at 800 Euros per worker concerned.</p> <p>After 2019, the level of fines for labour law infringements has been drastically reduced.</p> <p>There is no specific data on the number of sanctions for violations of MW regulations, as well as no assessment of the effectiveness of sanctions for MW violation is available.</p>

Persuasion/preventive measures

TYPE OF MEASURE, INSTITUTION IN CHARGE,	Measures adopted: provision of advice, training, and counselling to workers/employers; awareness raising and information; reduction of administrative burden and simplification
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CHANGE IN THE LAST DECADE	of procedures; other support measures mainly related to undeclared work: EU4FairWork campaign; risk analysis tool to combat undeclared work; incentives to combat undeclared work.
ROLE OF DIGITAL TOOLS	<p>At SEPE, there has been continuous digital upgrading of the services provided by the Labour Relations Inspectorates and Health and Safety Directorates since 2017 (e.g., a portal to provide online services, an internal digital platform to facilitate operations).</p> <p>During the COVID-19 pandemic an electronic platform to submit complaints/requests and a distance learning system for new inspectors were implemented. A system to allow inspectors to work remotely was also introduced.</p> <p>Complaints can be made through the SEPE's website (https://www.hli.gov.gr) anonymously or by name, by e-mail to SEPE's local departments or by using the single service line for citizens 1555.</p>

3. Role of social partners and other stakeholders

Social partners

ROLE + FOCUS ON SPECIFIC SECTORS/TERRITORIES/WORKERS	<p>Social partners - trade unions in particular - have a role in identifying and resolving labour disputes concerning violations of the labour law in general, which may include the compliance with the legislation that determines the minimum wage. Employees' representatives can fully participate and intervene during the resolution of individual or collective disputes; employers' representatives can also participate in the resolution process. Trade unions also provide information and guidance to employees.</p> <p>The participation of employees' representatives in the resolution of labour disputes concerns all employees throughout the country. In practice, based on experience, their participation is higher in the sectors where there is higher delinquency.</p>
CHANGE IN LAST DECADE	<p>Some trade unions reported an increase in their activities in support of workers.</p> <p>With the SEPE 2021 reform, the previously envisaged participation of the social partners in the planning and implementation of the action of SEPE through the social dialogue body SKEE (Labour Inspectorate Social Controlling Council).</p>
COORDINATION	<p>The Law 3996/2011 (art.21), as modified by article 51 of Law 4430/2016, provides for the establishment of SKEE (Labour Inspectorate Social Controlling Council) within the Ministry of Labour. The SKEE has the authority to issue an opinion on matters related to the operation and activity of the SEPE.</p> <p>The 2021 law (4808/2021), establishing that the SEPE will be an independent authority, does not provide for any form of participation of the social partners in the operation of SEPE and SKEE was abolished.</p>
STRENGTH/WEAKNESSES	<p>According to all the respondents, there are two main weaknesses and challenges:</p> <ul style="list-style-type: none"> • Lack of access to the data of the ERGANI System • Lack of tripartite social dialogue in general and even more, of substantial, meaningful and systematic social dialogue.

Role of other institutions/stakeholders

OTHER INSTITUTIONS/ STAKEHOLDERS	<p>Cooperation with other bodies or stakeholders focuses on the implementation of the labour law in general but without any special focus on the compliance with the minimum wage.</p> <p>Cooperation increased in last decade, although not focused specifically on minimum wage.</p>
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EU cooperation

EXAMPLES OF EU COOPERATION	<p>SEPE is an active member of all the relative European bodies (SLIC, the Platform of Undeclared Work, the European Labour Authority).</p> <p>The Hellenic Federation of Enterprises (SEV) participates to different ELA's working groups.</p> <p>The trade union GSEE participates in working groups of the ETUC and the ITUC.</p>
CHANGE IN LAST DECADE	N/A
STRENGTH/ WEAKNESSES	N/A

4. Enforcement challenges, strengths and weaknesses of the enforcement system

MAIN ENFORCEMENT CHALLENGES	<ul style="list-style-type: none"> Market deregulation (e.g., the weakening and institutional downgrading of sectoral collective agreements, increase and prevalence of individual employment contracts, high unemployment rates) increased the flexibility of work and non-compliance. Undeclared and/or under-declared work is quite widespread in Greece especially in small- and medium-sized enterprises in the sectors of commerce, tourism/catering, and services. During the pandemic, legislation allowing employers to declare any change in working time limits retroactively for up to the first ten days of the following month, as well as the reduction in SEPE inspections contributed to an increase in infractions.
STRENGTHS AND WEAKNESSES	<p>The Labour Inspectorate consists of a very capable and specialised workforce with a high level of education and experience.</p> <p>Overall, the enforcement of labour laws is considered to be effective.</p> <p>Weaknesses reported by stakeholders include:</p> <ul style="list-style-type: none"> the inability of union representatives to take part in the inspections of EFKA due to lack of legislative provision lack of flexibility and excessive bureaucracy in the operation of SEPE <p>Deterrence measures (penalties, fines) are still largely predominant over preventive measures (information, persuasion of undertakings), which are minimal.</p> <p>According to employers' organisations, more attention should be paid to preventive measures, while trade unions believe that fines and sanctions should be used more for them to function as a real deterrent.</p>

As far as precautionary measures are concerned, all digital applications and tools have greatly contributed to reducing bureaucracy, increasing transparency, and better enforcing labour law. Among the negative points could be the lack of full access of the national social partners to ERGANI data, the need to introduce incentives for compliant companies, the strengthening of information and awareness activities.

Source: National Eurofound Correspondent for Greece

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