

# **THE GREEK NATIONAL EMPLOYMENT POLICY: THE EXPANDING INFLUENCE OF THE EUROPEAN UNION<sup>1</sup>**

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## **Abstract**

European Union has adapted an employment strategy since the decade of the 1990s that has affected all its member states. This policy is referred in the European Employment Strategy as the set of microeconomic and social policies that affect the labor supply and demand, the functioning of the labor market and the organization of internal labor of businesses. In fact, the national employment policy choices of the member states are appreciably reduced over the years. Indeed, European Union has a special competence in employment affairs in accordance with European Union Treaties. However, European Union priorities and European Integration have shaped a broader framework within which the member states implement their national employment policies. The resulting conclusion is that the European Union actually directs the member states' employment policy choices and there is not a fundamental margin for them to plan national employment policy. Especially in the case of Greece, which came under the strong supervision of European institutions during the last years of economic crisis of 2008, the possibility of pursuing an autonomous national employment policy was more limited, due to the financial constraints and the policies it was obliged to follow during the memoranda and enhanced supervision period. Regardless of this, the conclusion that emerges is that the European Union essentially directs the member states' employment policy choices, especially those with fiscal problems such as Greece.

**Keywords:** *National employment policy, Greece, European Union, governance, Europeanization.*

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<sup>1</sup> Translations of texts from Greek language (government and legislative material, articles and reports) were done by the author

## **Introduction**

European governance and European policies have a significant influence on the policies followed by the member states of the European Union. In some cases, there is an obligation of the member states to incorporate European policies into their national law according to European Union law, such as Community directives, regulations and decisions, which automatically become binding throughout the European Union on the date they enter into force (European Commission, n.d.a). In addition, Community directives must be incorporated into the national legislation of the member states within a specified time and in a way freely chosen by the member states to meet the desired result (European Commission, n.d.e).

European Union legislation is not binding in all cases, as according to paragraph no. 2 of the article no. 5 of the Consolidated version of the Treaty on European Union, competences not conferred upon the Union in the Treaties remain with the member states and the Union acts only within the limits of the competences conferred upon it by the member states in the Treaties to meet the goals set out therein (EUR-Lex, n.d.a). The employment policy is not an area where only European Union can legislate. Nevertheless, European Union plays a particular role, i.e. has special competences to go beyond what is normally allowed under the Treaties, regarding the coordination of economic and employment policies. Of course, the member states have the initiative to set the policies, but these are actually based on the general guidelines of the European Union (European Commission, n.d.b; General Secretariat for Research and Innovation, n.d.). The question that arises in a logical sequence is whether there is “freedom” of the member states to define their own employment policy. It is widely argued that member states have limited space to implement autonomous employment policy due to the direct obligations and restrictions imposed in most areas of their economic and social life by the European Union. The employment policies of the member states are converging towards the policies and the enacted legislation on employment and social affairs set by the European Union in order to meet the common challenges arising from technological progress, globalization and the changing demographic situation. Member states' employment policies are also converging due to their compliance with the European pillar of social rights and the rules governing the financing of employment and social affairs projects (European Union, n.d.). The above are referred to in the literature briefly with the term ‘Europeanization’, which generally refers to the impact of the European Union on nation states across policies, politics, and polity (Sedelmeier, 2012).

Especially in the case of Greece, there has been a growing interest in the influence of the European Union in its policies (including employment policy) as a member state, in particular during the economic crisis and the austerity

politics that Greece had followed (Ladi, 2012). That is, Europeanization in the shadow of the financial crisis could be seen in the light of an “extremist” paradigm, given the additional restrictions on almost all policies that Greece had to follow. In any case, these additional restrictions comprised the accelerators of an inevitable adjustment of the national policies in the requirements of the European Union, especially in the employment policy where the unemployment rate remains high in relation to the rate of the European Union member states (Eurostat, 2021).

### **The role of the European Union and the member states as rule-makers about employment policies**

The European Union Treaties determine the areas where: a) only European Union can legislate, b) both the European Union and member countries are able to pass laws, c) the European Union has no power to pass laws and may not interfere with member countries’ ability to do so and can only support, coordinate or complement the action of member countries or d) European Union plays a particular role and can go beyond what it is normally allowed under the Treaties. In order to find how and where the European Union may act there are three principles that determine and specify who can pass laws in what areas and more specifically: conferral, proportionality and subsidiarity. With regard to the first principle, the European Union has only the authority conferred upon it by the European Union Treaties, ratified by all member countries. Proportionality determines that the European Union action cannot exceed what is necessary to meet the goals of the Treaties and subsidiarity regards the areas where either the European Union or the national governments can act, but the European Union may intervene only if it can act more effectively (European Commission, n.d.b).

Regarding any particular areas of responsibility of the European Union and the member states, according to the Article 3 of the Treaty on the Functioning of the European Union, the European Union has exclusive competence and is able alone to legislate and adopt binding acts in the following areas: customs union, the establishing of competition rules necessary for the functioning of the internal EU market, monetary policy (of euro area countries), the common fisheries policy and the conservation of marine life, common commercial policy and conclusion of international agreements (under certain conditions). Furthermore, according to article 4 of the Treaty on the Functioning of the European Union, both the European Union and European Union countries are able to legislate and adopt legally binding acts, i.e. both parts have shared competences in the following areas: internal state markets, social policy (but only for aspects specifically defined in the Treaty), economic, social and territorial cohesion, agriculture and fisheries, environment,

consumer protection, transport, trans - European networks, energy, freedom, security and justice, public health, research, technological development, space and development cooperation and humanitarian aid. In the above areas European Union countries exercise their own competence where the European Union does not exercise, or has decided not to exercise, its own competence. Moreover, article 6 of the Treaty on the Functioning of the European Union states that the European Union has supporting competences, can only intervene to support, coordinate or complement the action of European Union countries in specific areas. These areas are the following: protection and improvement of human health, industry, culture, tourism, education, vocational training, youth and sport, civil protection and administrative cooperation. Legally binding European Union acts must not require the harmonization of European Union countries' laws or regulations about the aforementioned areas. Finally, the European Union has special competences in the common foreign and security policy and the coordination of European Union economic and social policies and employment policies to make sure that European Union countries coordinate their economic, social and employment policies at a level defined by the European Council and the Council (EUR-Lex, n.d.b).

Focusing on the European employment policy and the role of national employment policies, the employment policy is part of the broader economic and social policy and in fact is a convergent field of the aforementioned policies, as labor has a dual role: it is a factor of production and it is a source of income (Karamesini and Kouzis, 2005). Certainly, employment plays an important social and economic role in the modern societies and has significant implications. For this reason, the employment policies are closely related to managing the impact of employment on economic restructuring and tackling the shortcomings of the economic cycle in terms of the effective use of the labor force (Dimoulas and Mihalopoulou, 2008). The European Employment Strategy includes labor market policies, tax and pension policy, education, entrepreneurship and small and medium-sized enterprises (SME) policy, social welfare and social care policy, anti-discrimination policy, equal opportunities. (Karamesini, 2017). There are two major categories of employment policies mentioned in the literature, the passive and the active employment policy. Each country applies one or both of the above policies depending on the prevailing conditions such as the economic policy, the degree of international competition, the development of information and communication technologies, the relationship between the public and the private sector, the poverty reduction strategies, the way of organizing production and the organization of the society (Hletsos, 1997; International Labour Office, 2015). Passive employment policies consist of a welfare system for income protection of the unemployed with limited duration and payments of allowances and benefits, while the active employment policies can be classified into the following sectors: strengthening

entrepreneurship, training programs, guaranteed employment programs in the private and the public sector and strengthening youth employment (Geormas, 2020).

As for the term national employment policy, it is generally referred to as a vision that is transformed into a practical and comprehensive plan for each country's employment goals. Each country has its own national policy because there is a specific framework concerning the composition of the policy plan and the consultation with stakeholders of the economy (mainly employers' and employees' unions). Each country has to deal with different and complex challenges in the economic and social environment, such as: demographic trends in the labor market, economic growth without decent jobs, income inequality, illegal employment, youth unemployment, immigration of rural population to urban areas, existence of employees below the poverty line, percentage of women in the workforce, existence of unequal working conditions for men and women and declining safe and full employment. In addition, trade unions play a different role in each country concerning the direction of employment policy and their ability to operate in a broader and more complex context. As a result, the national employment policy includes many economic and social factors, different areas of governance and international labor standards and is not just a job creation program (International Labour Office, 2015). Especially in Greece, the national employment policy can be detected in the annual National Reform Program. In the Program of 2020 the strategic options of the employment policy consist of the formulation of a new social contract of the state, workers and companies, achieving higher income for all and ensuring social cohesion and solidarity (Greek Republic, 2020).

### **The influence of European governance on national employment policies**

It is a fact that the European institutions and processes have a catalytic effect on almost every form of the member states' policies. Some representative examples include the European Single Market, the Economic and Monetary Union and the European Union enlargement process. In other words, a supranational complex political system has been formed that forwards a common European agenda in many policy areas and influences the decisions taken by the member states. This is called the European integration, which is gradually taking place, where the member states delegate responsibilities to supranational institutions (Feronas, 2007). Moreover, "the possibility of an alternative national income policy was nullified, the foreign exchange policy was privatized, the monetary policy was transferred to the European Central Bank and beyond that it secured its institutional independence from political power, and fiscal policy is too committed to the current framework of the

Stability and Growth Pact” (Asimakopoulos, 2010) and as a result, national employment policies cannot differ from those in force at the community level (Feronas, 2007). It is worth noting that the responsibility for the employment and social policy still lies with national governments. However, the binding legal acts, the European Union funding and the policy coordination incite the member states to adopt common employment policies. More specifically, directives, regulations and decisions are binding legal acts that ensure minimum standards across European Union member states in certain areas such as health and safety at work, free movement and posting of workers, equal opportunities for women and men and protection against discrimination. Moreover, non-binding legal acts and coordination through Recommendations and other policy initiatives contribute to the strengthening of coordination of the member states' policies, as are the cases of the Council Recommendation on establishing a European Youth Guarantee, the European Alliance for Apprenticeships, the Council Recommendation on a Quality Framework for Traineeships and on the integration of the long-term unemployed into the labor market, the European Solidarity Corps, the Skills Agenda for Europe, the common proclamation on Social and Employment Policy and the European Temporary Support Instrument to mitigate unemployment risks in an emergency. Furthermore, European Union funding instruments and programs play a key role in the national employment policies, as for example the European Social Fund, the European Union program for employment and social innovation, the European Globalization Adjustment Fund and the Coronavirus Response Investment Initiative (European Parliament, n.d.).

From the above it becomes clear that the European Union law regarding the employment policy is important and has a legal basis at the community level as follows from the Article 3(3) of the Treaty on European Union and the Articles 8-10, 145-150, 156-159 and 162-164 of the Treaty on the Functioning of the European Union. The coordination of the national employment policies is mainly achieved through the Europe 2020 strategy, the European Employment Strategy, the monitoring cycle for employment policies and the European Union funding instruments. The growing importance of the community intervention can also be demonstrated through a historical overview of the European Union institutions and policies since the 1950s. The following are indicative policies and institutions that can be cited: the ‘re-adaptation aid’ (1950s), the European Social Fund (1960s), action programs on employment and observatory and documentation systems (1980s and 1990s), the White Paper on Growth, Competitiveness and Employment (1993), the Treaty-based Employment Committee, the European Employment Strategy, the open method of coordination, the Lisbon Strategy (2000), the integration of employment guidelines into the broad economic policy guidelines since 2005, the Europe 2020 strategy and the European Semester of 2010, as well as the

alignment of employment guidelines to the principles of the European Pillar of Social Rights in 2018 (European Parliament, n.d.).

As far as the governance at the European Union level is concerned, although some European Union institutions and policies do not belong to the central European Union regulations that have direct effect and influence on the national policies. Some of them, especially the European Employment Strategy and the open method of coordination, constitute an important factor of European integration and actually shape the national employment policies, creating in this way a common European framework for action and analysis (Feronas, 2007). The open method of coordination was defined as an instrument of the Lisbon strategy in 2000 and may be described as a form of ‘soft’ law. It is a form of non-binding intergovernmental policy-making and has provided a new framework for cooperation between the European Union countries, whose national policies can be directed towards certain common goals. The open method of coordination takes place in employment and therefore falls within the competence of European Union countries. Also, the European Parliament and the Court of Justice play no part in the open method of coordination and the Commission’s role is limited. Nevertheless, benchmarking, jointly established measuring instruments and jointly identifying and defining goals to be achieved are its main characteristics that put some ‘pressure’ on member states to comply with the processes (EUR-Lex, n.d.f). Moreover, European Employment Strategy, introduced in 1997, is the European Union’s main instrument for coordinating countries’ reform efforts in the labor market and social policies. It is a non-binding mechanism, since it is based on benchmarking, monitoring and learning and not legislation. The European Employment Strategy has undergone changes in governance and policy orientation. Since 2005 the European Employment Guidelines have been merged with the Broad Economic Policy Guidelines into a set of Integrated European Union for Growth and Jobs. The Strategy is based on a joint report of the employment of European Union countries, their responses to the guidelines, the annual surveys on economic growth and job creation, the integrated guidelines regarding priorities of employment and social importance and the country-specific recommendations on how to address the economic, employment and social challenges that European Union countries face (EUR-Lex, n.d.e). In other words, the European Employment Strategy fosters cooperation between countries, the coordination of national policies and the participation of local authorities, unions and employers’ organizations, thus contributing to a coordinated employment strategy between European Union and its member countries and promoting skilled, trained and adaptable workforce that is responsive to changes in labor markets (EUR-Lex, n.d.c). The European Employment Strategy is now part of the Europe 2020 growth strategy and is implemented through the European Semester. This involves the

proposing of employment guidelines (i.e. common priorities and targets for employment policies) by the Commission, the agreement by the national governments and the adoption by the European Union Council. The European Semester involves the Joint Employment Report, which is based on the assessment of the employment situation in Europe, the implementation of the Employment Guidelines and the assessment of the Scoreboard of key employment and social indicators, the submission of National Reform Programs by national governments to the Commission for compliance with Europe 2020 and the publication of country reports and country - specific recommendations (European Commission, n.d.d).

Finally, a common framework for the exercise of employment policy of the member states of the European Union is formed by other institutions and processes that exist in a European level, such as Employment Committee, Multilateral Surveillance, the Youth Guarantee on long-term unemployment, Flexicurity, European Employment Policy Observatory and European network of Public Employment Services (European Commission, n.d.c). The above methods of governance have had a significant impact on Greece in shaping its employment priorities in order to reduce unemployment and increase employment, as these results from the adoption by the Greek governments of the active labor market policies, the work experience programs and the flexicurity (Feronas, 2007). However, the most important influence towards a common employment policy of the member states of the European Union arises from their requirement to comply with the obligations originating from their participation in European Union. The article 28 of the Constitution of Greece says “The generally recognized rules of international law, as well as international conventions as of the time they are ratified by statute and become operative according to their respective conditions, shall be an integral part of domestic Greek law and shall prevail over any contrary provision of the law”. There is also an interpretative clause according to which the article 28 constitutes the foundation for the participation of the Country in the European integration process (Hellenic Parliament, 2008). It is also widely recognized that European law has precedence over national laws and the European law is superior to the national laws of member states (EUR-Lex, n.d.g; European Commission, 2021).

### **The national employment policies’ framework is actually formed by the priorities of the European Union and the European integration**

The fiscal policy is important for the European Commission, which in turn determines all other policies. In particular, a country's participation in the Economic and Monetary Union of the European Union is a strong exogenous incentive to undertake significant economic reforms to improve its fiscal

situation (Papazoglou, 2010). The Stability and Growth Pact is such a set of rules, designed so that countries in the European Union pursue sound public finances and coordinate their fiscal policies. It aims to prevent fiscal policies from heading in potentially problematic directions, while others policies are there to correct excessive budget deficits or excessive public debt burdens. The legal basis of the stability and growth pact consists of the Articles 121 and 126 of the Treaty on the Functioning of the European Union (European Commission, n.d.f). In short, the Stability and Growth Pact was introduced to strengthen fiscal discipline in the member states and to safeguard discipline and stability in the European Union so that a fiscal crisis in one member state does not cause problems for other member countries (European Court of Auditors, 2018). Moreover, in the process of the European integration, it has been observed that the implementation of the national policies, the issues prioritized and the national strategy followed by the member states are accordingly affected, as the European integration is based on fiscal balance and discipline. Towards this direction, the community legislation and funding have created supranational bodies that guarantee budgetary discipline such as the European Central Bank, European supervisory authorities and European Structural and Investment Funds (European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund). Budgetary discipline is also inherent in Treaties (Rome, Amsterdam, Nice, Lisbon, on European Union, on Stability) and strategic EU publications (Single European Act, Lisbon Strategy, Coordination and Governance in the Economic and Monetary Union, Multiannual Financial Framework, Two Pack on economic governance, European Semester). According to the above, the European Union has evolved from a transnational to a supranational organization, where member states have strong commitments in the field of fiscal policy, which in turn influences all other policies. In particular, in the employment policy, that forms a coupling field between economic and social policy, the basic parameters of the labor relations, such as wage and non-wage costs, employment law and labor model, are significantly affected by the priorities of the European Union and the European integration (INE-GSEE, 2015; Karamesini and Kouzis, 2005; Kazakos, 2017; Nasios, 2020).

In addition, the European Social Model sets out national employment policies towards a sustainable economic growth and a high standard of living and working conditions (International Labour Office, 2015; Sotiriadou, Sarafis and Malliarou, 2010). The political systems of the member states have been affected by the key factors of this model, where economic and social advancement take equal priority along with decent work, justice and solidarity and social protection against poverty and social exclusion (European Trade Union Confederation, 2006). In the same way, the European pillar of social rights is a

policy that influences national employment policies as equal opportunities and access to the labor market, fair working conditions and social protection and inclusion are insured (European Union, n.d). In any case, the top European Union priorities consist of the common currency stability, the increase of the competitiveness and the compliance with budgetary constraints and this implies the implementation of enhancing flexibility in labor relations (INE-GSEE, 2012). Regardless of the above, rapid technological change, ageing populations and accelerating globalization are challenges that the euro area economy are facing and therefore structural reforms that are needed at European Union level to achieve economic growth, increase of the labor productivity and improvement of the labor force's level of education and expertise (European Central Bank, 2006).

### **The Greek crisis: an example of a member state that faces stringent regulations about its financial policy**

The Greek crisis is referred to as a period beginning in 2008. Between 2008 and 2016, Greece lost over one - fourth of its GDP at constant prices and the unemployment rate rose by nearly 16 percentage points with important demographic, economic and social consequences for the country. The debt-to-GDP ratio rose to unsustainable levels. The length and depth of the Greek crisis was unprecedented. A bold program of structural reforms was implemented, covering many areas such as pension and healthcare system, goods and services market, business environment, tax system, budgetary framework and public sector (Stournaras, 2019). The rising public deficits and explosive borrowing costs eventually drove Greece out of markets and into bail-out agreements jointly undertaken by organizations like the International Monetary Fund, the European Union and the European Central Bank. Greece was the first to seek the bail-out assistance and the last expected to exit its ever-changing conditional terms (Christodoulakis, 2016). The cooperation of the European Union and international organizations regarding the financial assistance to European Union member states is accompanied by structural reform programs and commitments of the member state. The commitments made by Greece consist a typical example of an “extreme” compliance of a country to the policies that are dictated not only on a European level, but on an international level (Nasios, 2021).

A proof of the above is found in the memoranda signed between Greece and other European and international bodies, such as the International Monetary Fund, the European Central Bank, the European Financial Stability Facility and the European Stability Mechanism, and the Greek laws that ratify

them (Laws 3845/2010, 4046/2012 and 4336/2015<sup>2</sup>). In the annexes of these laws, there are commitments that Greece has to follow in several areas of policy. Almost all the European countries were affected by the economic and financial crisis of 2008. and its fall-out. As a result, the European policy on social affairs and employment was adapted to deal with the consequences of the crisis (EUR-Lex, n.d.d). Part of this adoption was the emergence of new organizations and bodies (as those mentioned above) that impose, in parallel with the European Union policy, frameworks pursued by national governments. The common point of these policies is the fiscal consolidation and austerity. and the way this policy was implemented in Greece was the internal devaluation, the deregulation of labor relations (INE-GSEE, 2015), as well as the strengthening of the labor market flexibility, the active employment policies and the fight against undeclared work (Geormas, 2020).

### **The Europeanization of the Greek national employment policy accelerated after the crisis**

Europeanization can be described as a process of European Union-driven change of the political and economic systems of the European Union countries (Matlak, Schimmelfennig and Woźniakowski, 2018). “It is a multidimensional concept referring to the mutual influence of the European Union and its countries concerning policy-making, the impact of European policies on national policies and the diffusion of policies and ideas in European Union member states” (Papazoglou, 2010). As a result, it brings out the impact of European policies on the national policies of the member states (Serrano, 2014), although there are observed differentiated outcomes that result in the member states in this two-way and complex process (Papazoglou, 2010). The influence of the European Integration on the national attitudes, practices and policies is due not only to the adaptation by the member state of its national legislation with the European Union regulations and Directives or other commitments (known as Community method) but it also stems from procedures with a political and not a legal commitment by the state to adopt policies and practices agreed at European level, such as the open coordination method mentioned above. Europeanization is something broader than just a compliance of the policies and practices of a member state in European policies as it concerns the overall behavior of the political system and concerns many areas such as: public administration, foreign policy, immigration, urban planning, higher education, regional policy and environmental policy. The Europeanization of national policies can also be found even in countries neighboring the European Union (Maravegias, 2011).

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<sup>2</sup> Available at: <http://www.et.gr/> - National Printing House (accessed 22/10/2021).

The majority of the political parties admit that Europeanization has mainly positive effects, although “crises of legitimacy” have been observed. More specifically, it has been found that the coordination of regional policies in Europe is done with democratic terms of participation and control of institutions and decision-making processes, but that does not mean that they do not exist phenomena of "silent" political consensus in the coupling of national and European Union policies (Papazoglou, 2009). The coupling of these policies may be arduous due to the differences that exist in the European Union and national institutional elements and can fail to meet the goal of the modernization of the structures and processes. For this reason, the national governments have to ensure the legalization and the political and social safeguarding of the Europeanization process (Papazoglou, 2010). Furthermore, the Europeanization results from mechanisms that exist at the European level that enable the gradual transfer of the decision-making power from the national to the European level, such as the framing of the national beliefs and expectations, the opportunity to change the national structures and the institutional compliance. These mechanisms have different degrees of "toughness". The institutional compliance is the "toughest" mechanism, as it regards European Union regulations and directives that have to be adopted by the member states with limited discretion about how the relevant policies will be implemented. The change of the national structures brings about changes of power distribution between national bodies (e.g. participation of Non-Governmental Organizations) and the framing of national beliefs and expectations is a mechanism that prepares the ground for national institutional changes, such as conferences and best practices (Ladi, 2007). Nevertheless, Europeanization is a two-way process with a "bottom-up" and a "top-down" dimension, where variables in each country play an important role, as indicated by the political heritage and structure, the interest groups and the capacity to change. In any case, Europeanization states the strong influence and pressures of European institutions and policies at the national level, as the status of a member state in the European Union implies the fulfillment of specific requirements (Feronas, 2014).

Notwithstanding, the case of Greece during the Memoranda is clearly an extreme form of Europeanization (Nasios, 2021). The institutions that were involved (called the Troika) dictated the economic policy in detail. There were actually parallel processes of the Troika's emergence and the economic governance reforms, resulting in some arguing that there is a consolidation of authoritarian rule in the European Union (Vassalos, 2018). There were actually no alternative strategies in the Greek crisis and the policies derived directly from the Troika (Mavroudeas, 2018). Especially in the employment policy, the changes in the Greek labor market were actually an attack on the labor, as a result of the economic crisis and the policies that deregulated labor and were

inscribed analytically in the Memoranda, in order to support the Greek economy. The main goal of the employment policy was to lower labor costs and boost competitiveness and the basic policy tool was to encourage and expand labor flexibility, which is actually part of the broader framework of the policy at the European Union level. The result was a new situation for the labor relations and a new regulation of work and employment conditions, which holds business competitiveness above labor and social rights and views labor legislation as an obstacle to the accomplishment of the above. As a result, there were a degradation of the role of full and stable employment, reduced wages and rights, the dismantling of the process of negotiating collective agreements and contracts to figure wages and salaries, the flexibility of labor time, a lowering of protection from lay-offs and the convergence in terms of labor conditions between the private and the public sectors in terms of a general degradation (Kouzis, 2018). The impact of the employment policy measures in the context of the Greek crisis was that employment measures were residual and inadequate to meet the needs of the unemployed and did not curb rising unemployment rates (Dimoulas, 2014).

## **Conclusions**

The European Union legislation, and more specifically the article 5 of the Consolidated version of the Treaty on European Union, sets the limits of the responsibility of the European competence and the member states. The employment policy is part of the European Union's specific responsibilities, meaning that the responsibility is not conferred on the Union. However, an overview of the institutional European framework and the applicable procedures in the European Union level lead us to the conclusion that the European Union gradually has increased its ability to control and intervene in the national policies concerning the economy and the society. With particular reference to the employment policy, it has become obvious that the European Union plays an important role and essentially directs the choices of the member states regarding their national employment policy. Clearly, the member states can have an autonomous employment policy, but this is limited, as the wider economic and social context is defined by the European Union and as a result the national employment policy lies within the wider framework set by the European Union. The influence of the European governance, the priorities of the European Union and the European integration on national employment policies is obvious. However, this does not mean that there is no room for national employment policy by the member states, depending on the volition and pursuit of the leadership of the member states.

However, in some member states the specific conditions and challenges they face have a catalytic effect on the margins of autonomous employment policy-

making. Greece is a typical example of a member state that faces stringent regulations about its financial policy as proved by the Memoranda and the restrictions set on almost all policies in the decade of the 2010s. The European Union - driven change of its political and economic system accelerated during and after the economic crisis and the fiscal policy rules essentially directed the national employment policy, making the case of Greece the most representative example of the so-called Europeanization. The governance mechanisms and the enforcement of practices and regulations set the priorities of the national employment policies and lead to the convergence of the member states employment policies. The case of Greece, with the complex challenges in the economic and social environment and where unemployment rate remains high in relation to the European Union member states, can be a case study on the margins of a European Union member state in pursuing an autonomous national employment policy under Community, budgetary and memorandum constraints and can be the trigger for a wider debate on whether the growing influence of the European Union on member states' policies, and in particular on employment policy, is successful for both the European Union and its member states.

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