Koufaki and Adedy v. Greece (dec.) - 57665/12 and 57657/12

Decision 7.5.2013 [Section I]

Article 1 of Protocol No. 1

Article 1 para. 1 of Protocol No. 1

Peaceful enjoyment of possessions

Reduction in remuneration, benefits, bonuses and retirement pensions of public servants: *inadmissible*

Facts – In 2010 the Greek Government adopted a series of austerity measures, including reductions in the remuneration, benefits, bonuses and retirement pensions of public servants, with a view to reducing public spending and reacting to the economic and financial crisis the country was facing. In July 2010 the applicants took the matter before the Supreme Administrative Court: the first applicant applied to the court to annul her pay-slip; the second applicant – the Public Service Trade Union Confederation – sought judicial review because of the detrimental effect of the measures on the financial situation of its members. On 20 February 2012 the Supreme Administrative Court rejected the applications.

Law – Article 1 of Protocol No. 1: The restrictions introduced by the disputed austerity measures could be considered as an interference with people's legal right to the peaceful enjoyment of their possessions. The measures had been justified by the exceptional crisis, which was unprecedented in the recent history of Greece and called for an immediate reduction in public spending. The aims of the measures were in the general interest and in that of the Member States of the euro zone, whose obligation it was to observe budgetary discipline and preserve the stability of the zone. The legislature had a wide margin of appreciation in implementing social and economic policies.

Two consecutive laws had provided for measures of a permanent and retroactive nature, applied to all public servants indiscriminately, providing for a 20% reduction in their salaries and pensions as well as reductions in other allowances and benefits. The measures introduced by the second law were considered necessary by the legislature because those taken under the first law had proved insufficient to resolve the country's dire economic predicament. In its judgment of 20 February 2012 the Supreme Administrative Court rejected several arguments based on the alleged breach of the principle of proportionality by the disputed measures, considering that the fact that the salary and pension reductions were not purely provisional measures was justified because the aim was not merely to remedy the immediate acute budgetary problem but also to strengthen the country's financial stability in the long term. The Supreme Administrative Court also referred to the Court's case-law concerning reductions in salaries and pensions in several States against the same general backdrop of economic crisis. In addition, it observed that the applicants had not claimed in so many words that their situation had deteriorated to such an extent that their very subsistence was in jeopardy.

The Court considered that the reduction of the first applicant's salary from EUR 2,435.83 to EUR 1,885.79 was not such that it risked exposing her to subsistence difficulties incompatible with Article 1 of Protocol No. 1. Regard being had to the above and to the particular climate of economic hardship in which it occurred, the interference in issue could not be considered to have placed an excessive burden on the applicant. As regards the second applicant, the removal of the thirteenth and fourteenth months' pensions had been offset by a one-off bonus. Substitute solutions alone did not make the disputed legislation unjustified. So long as the legislature did not overstep the limits of its margin of appreciation, it was not for the Court to say whether they had chosen the best means of addressing the problem or whether they could have used their power differently.

Conclusion: inadmissible (manifestly ill-founded).

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