

INTERNATIONAL TRADE UNION CONFEDERATION

Greece-EU Accord: IMF should not play politics with European recovery, says ITUC

Brussels, 27 February 2015 (ITUC OnLine): The ITUC has strongly criticised the negative attitude the International Monetary Fund has taken towards the agreement reached on 24 February between Eurozone finance ministers and the Greek government for a four-month extension of the current European crisis loan to Greece.

A written statement from IMF Managing Director Christine Lagarde (<http://www.imf.org/external/np/sec/pr/2015/pr1571.htm>) condemned the agreement because it does not contain "clear assurances" from the Greek government that it will implement measures committed to by the former government defeated in January elections, including in the area of labour market reforms.

Sharan Burrow, ITUC General Secretary, said "Five years of austerity and deregulation imposed by the IMF and the other Troika members have brought economic depression, greater inequality and 25 per cent unemployment. To insist that the new government in Greece must do more of the same borders on irrationality".

Burrow noted that the labour market reforms referred to in the IMF's statement include new restrictions on the right to strike and other trade union activities, and the elimination of advance notice in case of mass dismissals: "Making jobs even more precarious and weakening workers' rights will only contribute to further decline of workers' living standards and more inequality. It makes no sense for the IMF to push this agenda when Greek voters clearly expressed their desire for change and when Eurozone finance ministers agreed with the new government's intention to make a priority of attacking corruption and tax evasion."

The ITUC is also deeply concerned that the IMF's condemnation of the Greece-Eurozone accord is being seized upon by right-wing and even anti-EU political groupings to try to block the accord in some national parliaments that must ratify it. "The IMF is playing a dangerous political game by pandering to political forces that are more interested in making ideological points, even at the cost of setting off a new Eurozone crisis, than in helping an EU member country that has lost 26 per cent of its GDP since 2008 get onto the path to economic recovery," said Burrow.

Observing that the loan extension was a compromise arrived at after weeks of difficult negotiations between Greece and the Eurozone, Burrow called on the IMF to support both the extension agreement and a longer-term accord that will address the fundamental obstacles to the recovery of growth and jobs in Greece.

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